CH

CHUAN HUP HOLDINGS LIMITED

ANNUAL REPORT

2016

CONTENTS

ABOUT US

Since its incorporation 46 years ago, Chuan Hup Holdings Limited ("Chuan Hup") has repositioned itself into an investment company with a diversified portfolio of investments in the electronics manufacturing services and property sectors, in addition to its equity investments portfolio.

The Company was founded in 1970 as a tug and barge service provider to the PSA Corporation in Singapore. It established itself as one of the leading owners and operators of marine transportation equipment to the resource industry and was listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST") in 1983. Chuan Hup then diversified its business activities into electronics manufacturing services and property development.

Its business unit in the electronics manufacturing services industry, PCI Limited ("PCI"), was listed on the then Sesdaq of the SGX-ST in 1992 and thereafter transferred to the Mainboard of SGX-ST in 1995. Subsequent to a mandatory conditional cash offer launched by Chuan Hup in 2011, PCI became its 76.7% subsidiary.

Chuan Hup has invested in property development projects for over a decade. As a property developer, Chuan Hup successfully launched its first residential project in Singapore, The Clementvale, in 1999. It has invested in property development projects in Australia and Philippines directly or via an equity stake. Such business arrangements have enabled Chuan Hup to leverage on the expertise of local business partners in these development projects overseas. Past developments have all been well received and fully sold shortly after completion. Current development projects include the Symphony City and Unison in Perth.

Three floors of office space in GB Building in Singapore were acquired in 2014 to form Chuan Hup's investment property portfolio for the purpose of generating stable recurring rental income over the long term.

Chuan Hup will continue to maintain a prudent stance as it focuses its efforts to seek investment opportunities that will enhance returns in the short term and contribute to sustainable long-term growth in shareholder value of the Company.

CHAIRMAN'S STATEMENT

FY2016 FINANCIAL PERFORMANCE

Group profit after tax for the year amounted to USD 11.62 million. Excluding one-off gains in FY2015 from divestment of a leasehold property and our interest in associated company, CH Offshore Ltd, profit was 12% below prior year. Appreciation of the US dollar against Singapore and Australian dollars had impacted on our results as earnings faced translational and transactional pressures. Reduced market valuation of our listed equity investments was attributable to volatility in the financial markets. FY2016 results were significantly bolstered by property sales of the Toccata and Unison on Tenth projects, which more than offset the reduction in profit from electronics manufacturing services. Income recognition of property sales will continue to be staggered, as its timing is dependent on sale settlements upon the completion of respective development projects.

The Group has maintained a healthy financial position. Cash and cash equivalents as at 30 June 2016 amounted to USD 76.01 million, of which PCI Limited's cash and bank balances accounted for USD 27.91 million. Equity attributable to equity holders of the Company was reduced by 7.1% from prior year to USD 280.78 million.

DEVELOPMENTS IN FY2016

Business environment was challenging as global economy continued to experience subdued growth during the year. There was increased volatility in financial markets, impacted by a drastic decline in oil and commodity prices, concerns over the slowing economic growth of China, unpredictable timing of interest rate movements and geopolitical unrest. These contributed to significant downward pressure on equity prices.

While there was reduced demand for investment properties in Perth, a low interest rate environment supported the continuing demand by owner occupiers for quality developments. Residual apartment units of our Toccata development which was completed in FY2015 were fully sold during the year. Stage 1 of our Unison project was completed in February 2016. Sales contracts secured for more than 50% of its apartment units have been settled. Softer global demand has impacted operating margins of the electronics manufacturing services business and elevated inventory levels. Results in the final quarter of FY2016 have reflected improvement in this business segment's profitability.

We have recorded our investment in Finbar Group Limited ("Finbar") as an associated company in alignment with financial reporting standard requirements. The share of its results contributed to the Group's profits from 1 January 2016. With the tightening of project financing by financial institutions in Australia, we have recycled our funds derived from the sale of Toccata and Unison on Tenth units as mezzanine loans in support of the ongoing Concerto and Unison development projects with Finbar.

As part of a targeted strategic approach to grow our property related investment portfolio to generate resilient long-term returns, we have redeployed funds towards a convertible loan to PSD Holdings Pte Ltd ("PSH") which has interests in 2 prime mixed-use development projects in Malaysia and Thailand through its wholly-owned subsidiary, Pacific Star Development Pte Ltd. We have also maintained diversification of our portfolio through investments in listed equities and unlisted funds. Such investments provide us the flexibility to rebalance our portfolio as opportunity arises.

CORPORATE SOCIAL RESPONSIBILITY

We recognise our corporate responsibility and remain committed to positively impact the larger community. We have continued to support and contribute towards the Singapore Cancer Society and its fund raising activities. We have also sponsored various school projects and provided financial assistance to needy students to cater for their educational needs.

DIVIDEND

The Board is pleased to recommend a first and final tax exempt one-tier dividend of 1 SG cent per ordinary share for FY2016. This amounts to SGD 9.30 million, which represents a payout ratio of 67%. This is well beyond our declared 50% dividend policy.

LOOKING AHEAD

Uncertainties with the pace of US monetary policy normalisation and financial stability of the oil and commodity sector are factors that may impact financial markets. Our strong balance sheet and adequate liquidity enable us to remain focused in our long-term strategy to diversify and grow our investment portfolio based on strong fundamentals, with a prudent disciplined approach, to derive capital gains and generate a steady and sustainable stream of earnings.

IN APPRECIATION

On behalf of the Board, I would like to express my deep appreciation to our shareholders, business partners and customers for their unwavering support and continued confidence in Chuan Hup. I would also like to thank my fellow Directors for their invaluable insight and counsel. Last but not least, I would like to thank the management team and employees for their dedication and commitment.

PROF. TAN CHENG HAN
Non-Executive Chairman
7 September 2016

Exterior of Toccata

Artist's impression of interior of Concerto apartment

OUR INVESTMENTS

Production floor of PCI Batam Plant

OUR INVESTMENTS

Our core investment portfolio comprises investments that we hold to deliver sustainable long-term returns. These are companies that demonstrate sound governance and share our commitment to deliver value over the long term. We maintain close ties with these companies to monitor their strategy and performance, but rely on the independent governance of respective boards and management teams in their strategic and operational decisions.

I. ELECTRONICS MANUFACTURING SERVICES

Chuan Hup has been a substantial shareholder of PCI Limited ("PCI") for more than 30 years. PCI provides complete manufacturing supply chain services to leading global technology companies. It aims to value add in the services offered for each point of the manufacturing outsourcing cycle, which includes design, manufacturing engineering, material sourcing and procurement, assembly, test and logistics. PCI is engaged in the manufacturing of printed circuit board assembly, user interface panel and complete box-build projects.

ISO certificates achieved for its operations in Singapore, China and Indonesia attest to its uncompromising commitment towards meeting the exacting quality standards of its customers. PCI has been awarded the Singapore Quality Class certification by SPRING Singapore, a recognition given under the Business Excellence Programme.

With the extensive years of experience as a market leader in this industry, PCI is well-positioned to support each customer's unique technological and supply chain needs. Its fully equipped design and development centers in Singapore, Philippines and Indonesia work closely with its customers to support the various stages of new products.

PCI was listed on the then Sesdaq of the SGX-ST in 1992 and thereafter transferred to the Mainboard of the SGX-ST in 1995. Subsequent to a mandatory conditional cash offer made in 2011, PCI became our subsidiary. Our shareholding currently stands at 76.7%.

II. PROPERTIES

FINBAR GROUP LIMITED

We are a substantial shareholder of Finbar Group Limited ("Finbar"), an Australian property development company listed on the Australian Stock Exchange since 1995. As of 7 September 2016, our shareholding interest amounted to 19.6%.

As a substantial shareholder, with 2 nominee directors representing our interests on Finbar's board of directors, we have recorded Finbar as an associated company from 1 January 2016, in line with financial reporting standards.

Finbar's core business lies in the development of medium to high density residential apartments and commercial property within Western Australia, by way of direct ownership or through incorporated special purpose entities and joint venture companies, in which Finbar directly or indirectly holds interests in project profitability and earns project management fees. Recurring investment income, which supplements core property development income, is generated by its office building in Perth and its mixed-use development in Pilbara.

SYMPHONY CITY, EAST PERTH, WESTERN AUSTRALIA

We entered into a joint venture with Finbar in 2009 to tap on its property development expertise to redevelop our property, the former Australian Broadcasting Corporation ("ABC") site, located in East Perth, Western Australia. Symphony City comprises 3 stages of development – Adagio, Toccata, and Concerto. Adagio and Toccata comprise two luxury residential apartment towers with panoramic views of the Swan River. Concerto, situated along Adelaide Terrace, will integrate former ABC buildings to preserve the heritage significance of this site. Within easy reach of Perth CBD, high standards of city living lifestyle can be expected at Symphony City.

Adagio was completed in June 2013 and fully sold in December 2014, while, Toccata, was completed in June 2015 and fully sold in April 2016.

Concerto, the final stage of Symphony City development, will be the tallest apartment building in East Perth. The 38-storey Concerto Tower will feature two and three luxury bedroom apartments, as well as New York-style studio, one and two bedroom apartments within a beautifully refurbished heritage building which was formerly the ABC's administrative building. Sales contracts have been signed for 66.1% of the 227 units and completion is scheduled in FY2017.

Earnings generated from these projects are recorded after physical completion and upon settlement or physical possession of apartments sold.

UNISON, MAYLANDS, WESTERN AUSTRALIA

This is a development venture with Finbar that will be developed in 2 stages - Unison on Tenth and Unison on Kennedy. This site is well located in a trendy suburb within 5 kilometres from Perth CBD, positioned near the Maylands train station. This development features 3-storey walk-up apartments and 10-storey apartment blocks with resort style facilities. The entire Unison development will comprise a total of 347 apartment units and 4 commercial lots.

Completion of Unison on Tenth occurred in February 2016, and 61.5% of the total 169 apartment units have been sold and settled to-date. Unison on Kennedy will be launched at a later date.

SIGNA DESIGNER RESIDENCES, MAKATI, MANILA, PHILIPPINES

Our investment in Security Land Corporation ("SLC"), a property investment and development company in the Philippines, is recorded as an available-for-sale investment.

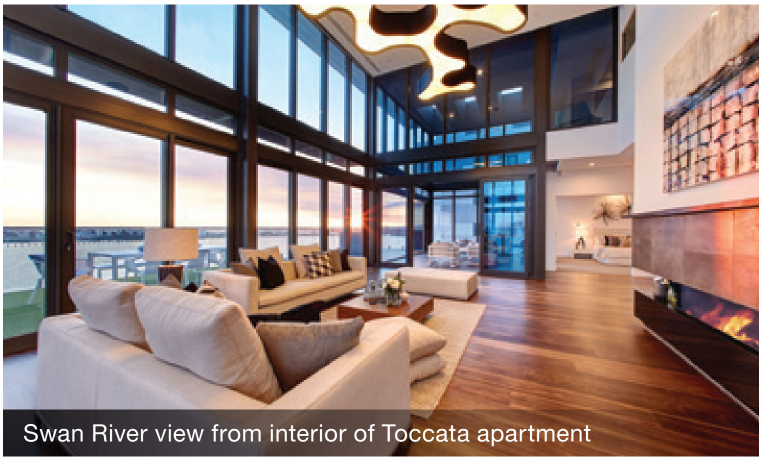
SLC has entered into a joint venture with Robinsons Land Corporation, a leading Philippines real estate company listed on the Philippines Stock Exchange, to develop SLC's property located on Ayala Avenue, in the prime commercial and business district in Makati, Manila. Signa Designer Residences will comprise 2 high end residential towers. SLC also derives ongoing rental income from its wholly owned office building.

OFFICE UNITS IN GB BUILDING, CECIL STREET, SINGAPORE

Leasehold strata-titled office space, comprising 20th to 22nd floors of GB Building, situated in Singapore's Central Business District, was acquired in FY2015. These investment properties are in keeping with our long-term strategy to build upon our portfolio to achieve a sustainable and consistent level of earnings. The 3 floors of office space are fully leased out.

CONVERTIBLE LOAN TO PSD HOLDINGS PTE LTD

A total loan amounting to USD 17 million has been extended to PSD Holdings Pte Ltd ("PSH") at 8% per annum, to optimise return on available funds. In the event that PSH enters into a definitive agreement with an SGX-listed entity for the sale and transfer of all its shares in its wholly owned subsidiary, Pacific Star Development Pte Ltd ("PSD"), the entire loan and accrued interest will be converted into shares in the SGX-listed entity.



Swan River view from interior of Toccata apartment

PSD is the property development arm of PSH. It has 2 ongoing development projects. Puteri Cove Residences, located at the Puteri Harbour in Nusajaya, Malaysia, is a freehold prime waterfront mixed-use development project comprising luxury apartments, serviced suites to be managed by Pan Pacific Hotels Group and a retail centre. Another project, The Posh Twelve, is a freehold mixed-use development project that comprises high-rise condominium units with resort style facilities, situated on Tiwanon Road in Bangkok, Thailand.

DISCIPLINED INVESTMENT APPROACH

Through our prudent approach and active management of our exposures, we have built a resilient and sound portfolio that contributes to Chuan Hup's robust balance sheet. We remain committed to a disciplined selection process of our investments to ensure that long-term growth in value is not sacrificed for short-term gains. We will continue to actively manage our level of liquidity to ensure that we are well-positioned to seize investment opportunities as and when they arise.

Pool of Unison on Tenth

Artist's impression of lobby of Concerto

BOARD OF DIRECTORS

PROF. TAN CHENG HAN
Non-Executive, Independent Director and Chairman

PROF. TAN CHENG HAN is a *Non-Executive, Independent Director and the Chairman* of Chuan Hup. He was appointed as a Director on 1 July 2001 and as Non-Executive Chairman on 21 October 2011. He was last re-elected on 22 October 2015.

Prof. Tan is a Professor of Law at the National University of Singapore ("NUS"). He was Dean of the NUS Faculty of Law from 1 May 2001 to 31 December 2011. Prior to joining NUS in 1996, he was a Partner in the Singapore law firm of Drew & Napier. He is currently a Consultant at TSMP Law Corporation and on the panel of arbitrators for the Singapore International Arbitration Centre, the Shanghai International Arbitration Centre, and the Kuala Lumpur Regional Centre for Arbitration. He was appointed to the rank of Senior Counsel in 2004 and his practice focuses principally on complex commercial disputes.

Prof. Tan's other current appointments include being a board member of the Accounting and Corporate Regulatory Authority, Chairman of the Public Accountants Oversight Committee and a Commissioner of the Competition Commission of Singapore.

Prof. Tan holds several board directorships, including at Keppel Reit Management Limited, Global Yellow Pages Limited (where he is the Board's Deputy Chairman), Tokio Marine Insurance Singapore Ltd. and Tokio Marine Life Insurance Singapore Ltd., both of which he is the Chairman of.

Prof. Tan obtained his Bachelor of Laws (Honours) degree from the National University of Singapore in 1987 and his Master of Laws degree from the University of Cambridge in 1990. In 2006, he was awarded the Public Administration Medal (Silver) in Singapore's 41st National Day celebrations.

MR PEH SIONG WOON TERENCE
Chief Executive Officer and Executive Director

MR PEH SIONG WOON TERENCE is the *Chief Executive Officer and Executive Director* of Chuan Hup. As Chief Executive Officer, he is responsible for the day-to-day running of the business and for the overall performance of the Group. He was appointed on 1 November 2005. He was last re-elected on 24 October 2014 and will be due for re-election at the coming Annual General Meeting ("AGM").

Mr Peh was the Deputy Financial Controller of Chuan Hup from July 2002 to October 2005. From July 2002 to September 2005, he was seconded to CH Offshore Ltd ("CHO") as Chief Financial Officer. As Chief Financial Officer, he oversaw the financial affairs of CHO. From July 2000 to June 2002, Mr Peh was the Finance Manager at Chuan Hup and was responsible for its cash management, treasury functions, account payables and banking relations. Prior to his appointment with Chuan Hup, he was a Finance Manager at PCI Limited ("PCI") and was responsible for its cash management and treasury functions. Mr Peh is also the Executive Vice Chairman of PCI.

Mr Peh was an Alternate Director to Mr Peh Kwee Chim on the Board of CHO from 1 June 2010 to 16 August 2013 and 19 December 2014 to 27 February 2015.

Mr Peh obtained his Bachelor of Commerce in Marketing degree from Curtin University of Technology, Australia in 1996 and his Master of Commerce in Finance degree from the University of New South Wales, Australia in 1997.

MR PEH KWEE CHIM is an *Executive Director* of Chuan Hup. He was one of the founders of Chuan Hup in 1970 and was appointed as Managing Director in 1984. On 1 November 2005, he resigned as Managing Director and remained on the Board as an Executive Director. He was last re-appointed on 22 October 2015. He is a member of the Nominating Committee.

Mr Peh is also the Executive Chairman of PCI and is a member of its Nominating Committee. He has been instrumental in building up the PCI Group. Mr Peh was a Director of CHO from 1 June 2010 to 27 February 2015.

Mr Peh graduated from the University of Western Australia in 1969 with a Bachelor of Engineering (Mechanical) degree.

MR PEH KWEE CHIM
Executive Director

MDM JOANNA YOUNG SAU KWAN is a *Non-Executive, Independent Director* of Chuan Hup. She was appointed as a Director on 21 February 2003. She was last re-appointed on 22 October 2015. She is also the Chairman of the Audit Committee and a member of the Remuneration and Nominating Committees.

Mdm Young brings with her a wealth of experience in accounting, auditing and financial management. Mdm Young is the senior partner of her accounting firm. From 1969 to 1978, she gained extensive experience in the accounting profession during her employment with Evan Wong & Co and Turquand Youngs & Co. In 1978, she joined a garment manufacturing company taking charge of financial, administration and production duties before setting up her own practice in 1980. Mdm Young was the Honorary Auditor of the Chinese Women's Association from August 1972 to May 2015.

Mdm Young was a Non-Executive, Independent Director of CHO from 1 February 2005 to 30 March 2015 and Chairman of its Audit and Nominating Committees and a member of its Remuneration Committee.

Mdm Young studied Accountancy in Sydney Technical College and obtained her Accountancy Certificate in 1968. She was admitted to membership of the Australian Society of Accountants and the Singapore Society of Accountants in 1969. She is a Fellow Member of the Institute of Singapore Chartered Accountants, a Fellow Member of CPA Australia and an Accredited Tax Practitioner of the Singapore Institute of Accredited Tax Professionals.

MDM JOANNA YOUNG SAU KWAN
Non-Executive
Independent Director

MR LIM KWEE SIAH is a *Non-Executive Director* of Chuan Hup. He was appointed to this position on 28 December 2011. He was last re-elected on 24 October 2014 and will be due for re-election at the coming AGM. Mr Lim is a member of the Audit and Remuneration Committees.

Mr Lim was also a Non-Executive Director of PCI from August 1989 to December 2011, an Executive Director of Chuan Hup from November 1989 to October 2005 and a Non-Executive, Independent Director of Scomi Marine Bhd from September 2005 to January 2011.

Mr Lim graduated from the then University of Singapore in 1976 with a Bachelor of Accountancy degree and is a Fellow Member of the Institute of Singapore Chartered Accountants.

MR LIM KWEE SIAH
Non-Executive Director

SENIOR MANAGEMENT

MS VALERIE TAN MAY WEI, *Head, Legal and Corporate Secretarial and Group Company Secretary*

Ms Valerie Tan May Wei joined Chuan Hup on 15 July 1993 as Group Legal Manager and was appointed Group Company Secretary on 18 January 1994. She is responsible for all legal and secretarial matters of the Chuan Hup Group.

Prior to joining Chuan Hup, Ms Tan was Group Legal Manager and Company Secretary of Jurong Shipyard Ltd. She was Senior Legal Officer at Neptune Orient Lines Ltd prior to that. She has over 20 years of experience in legal and corporate secretarial matters.

Ms Tan is also the Company Secretary of PCI Limited. She was the Company Secretary of CH Offshore Ltd from 18 January 1994 to 29 May 2015.

Ms Tan graduated from the National University of Singapore in 1987 with a Bachelor of Law (Honours) degree.

MS TENG YUUN YEAN, *Group Chief Financial Officer*

Ms Teng Yuun Yean joined Chuan Hup on 1 July 2010. As Group Chief Financial Officer, Ms Teng is responsible for all accounting, financial and tax matters of the Group. Prior to 1 January 2016, Ms Teng was Head, Risk Management of Chuan Hup, during which she was responsible for monitoring the Group's financial risk exposure within its financial risk management framework, as well as other risk management and audit related projects.

Ms Teng is also a Non-Executive Director of Finbar Group Limited, which is listed on the Australian Securities Exchange.

Ms Teng has cumulated over 20 years of experience in the accounting, finance, tax, and risk management functions, in addition to areas of auditing and management consulting.

Prior to joining Chuan Hup, Ms Teng was Vice President, Finance in The Straits Trading Company Limited. She was responsible for all areas of accounting, financial, risk management and tax matters in relation to its hospitality and media business units and its Australian property investments. Prior to this, Ms Teng was an auditor with Foo, Kon & Tan and Ernst & Young in Perth, where she later became a member of its management consulting team.

Ms Teng graduated with a Bachelor of Commerce degree from the University of Western Australia, where she majored in Accounting, Finance and Management. She is a Fellow Member of CPA Australia.

MR ELDON WAN, *Head, Corporate Development*

Mr Eldon Wan was appointed as Head, Corporate Development in May 2014. He is responsible for generating and implementing strategies to improve overall corporate performance, to champion change management and to lead corporate planning to further the Company's goals. He also assists the Chief Executive Officer in evaluating and developing new business opportunities, such as investments and partnerships to ensure continual growth and profitability of the Group.

Mr Wan is concurrently Senior Vice President, Finance of PCI Limited. He is responsible for all accounting, financial and tax matters of the PCI Group.

Mr Wan has over 20 years of working experience in the finance and accounting sectors. He has cumulated industry experience in mergers and acquisitions, financial and management reporting, budgeting, tax, treasury as well as corporate governance and risk management matters. Prior to joining the Group, he was the Group Chief Financial Officer of The Straits Trading Company Limited and the Group Financial Controller of the Tecity Group.

Mr Wan graduated from the Nanyang Technological University of Singapore in 1995 with a Bachelor of Accounting degree and is a Fellow Member of the Institute of Singapore Chartered Accountants.

MS CHAN CHING HARN, *Head, Risk Management*

Ms Chan Ching Harn joined Chuan Hup on 1 December 2015. She is responsible for monitoring the Group's financial risk exposure within its financial risk management framework, as well as other risk management and audit related projects.

Ms Chan was working as the Senior Regional Finance Manager with a US multinational company for 7 years before joining Chuan Hup. Prior to that, she was the Regional Accounting Manager and Regional Accountant with other US multinational companies. Ms Chan has over 20 years of experience in the accounting and auditing profession.

Ms Chan graduated from the Nanyang Technological University of Singapore in 1994 with a Bachelor of Accounting degree. She is a Non-Practising member of the Institute of Singapore Chartered Accountants.

CORPORATE DATA AND FINANCIAL CALENDAR

BOARD OF DIRECTORS

Prof. Tan Cheng Han
(Non-Executive, Independent Director and Chairman)
Mr Peh Siong Woon Terence
(Chief Executive Officer and Executive Director)
Mr Peh Kwee Chim
(Executive Director)
Mdm Joanna Young Sau Kwan
(Non-Executive, Independent Director)
Mr Lim Kwee Siah
(Non-Executive Director)

AUDIT COMMITTEE

Mdm Joanna Young Sau Kwan
(Chairman)
Prof. Tan Cheng Han
Mr Lim Kwee Siah

REMUNERATION COMMITTEE

Prof. Tan Cheng Han
(Chairman)
Mdm Joanna Young Sau Kwan
Mr Lim Kwee Siah

NOMINATING COMMITTEE

Prof. Tan Cheng Han
(Chairman)
Mr Peh Kwee Chim
Mdm Joanna Young Sau Kwan

COMPANY SECRETARY

Ms Valerie Tan May Wei

REGISTERED OFFICE

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Singapore 628475
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Facsimile: (65) 6268 1937
Website: www.chuanhup.com.sg
Email: corpsec_legal@chuanhup.com.sg

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #02-00
Singapore 068898

AUDITOR

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583

Partner-in-Charge: Mr Terry Wee
Appointed with effect from the financial year ended 30 June 2015

FINANCIAL YEAR END

30 June 2016

ANNOUNCEMENT OF FIRST QUARTER FINANCIAL RESULTS

13 November 2015

ANNOUNCEMENT OF HALF-YEAR FINANCIAL RESULTS

2 February 2016

ANNOUNCEMENT OF THIRD QUARTER FINANCIAL RESULTS

12 May 2016

ANNOUNCEMENT OF FULL YEAR FINANCIAL RESULTS

26 August 2016

DISPATCH OF ANNUAL REPORT TO SHAREHOLDERS

27 September 2016

ANNUAL GENERAL MEETING

20 October 2016

BOOK CLOSURE TO REGISTER MEMBERS FOR FIRST AND FINAL DIVIDEND

7 November 2016

PROPOSED PAYMENT OF FIRST AND FINAL DIVIDEND

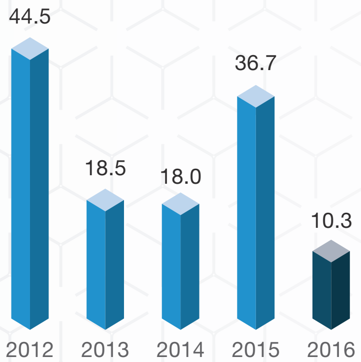
18 November 2016

GROUP FINANCIAL HIGHLIGHTS

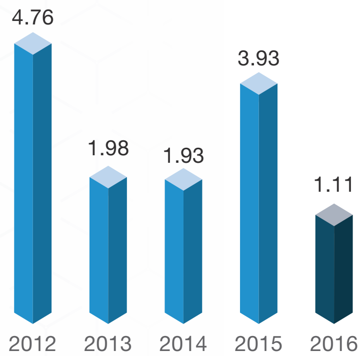
FINANCIAL YEAR ENDED 30 JUNE	2016 US$'000	2015 US$'000	2014 US$'000	2013 US$'000	2012 US$'000
INCOME STATEMENT					
Revenue					
Investment holding [1]	5,929	7,679	4,587	5,596	8,950
Electronics manufacturing services	176,108	184,614	174,178	178,965	234,504
Property development and rental	56,412	42,475	23,588	58,895	4,576
Vessel management	59	234	260	510	337
	238,508	235,002	202,613	243,966	248,367
Profit/(Loss) After Tax					
Investment holding [1]	1,685	24,814	12,430	4,450	38,321
Electronics manufacturing services [1]	3,839	5,671	4,334	3,010	7,787
Property development and rental [1]	6,246	8,958	2,644	11,812	477
Vessel management	(146)	(136)	(219)	(100)	(50)
	11,624	39,307	19,189	19,172	46,535
Profit Attributable to Equity Holders of the Company	10,286	36,659	18,023	18,462	44,459
BALANCE SHEET					
Non-current assets					
Property, plant and equipment	9,743	4,303	3,440	24,731	45,680
Prepaid lease payments	19,304	19,902	14,256	15,265	16,340
Investment properties	24,301	24,386	-	-	-
Associate	33,230	-	49,375	45,970	53,090
Investment securities	48,150	58,167	81,246	59,014	61,138
Other non-current assets	13,187	2,387	284	315	667
Current assets					
Development properties	33,827	39,801	39,486	15,634	-
Inventories	31,069	27,193	27,753	26,555	36,795
Other current assets	55,560	38,696	35,086	132,164	43,530
Investment securities	29,019	19,402	11,480	11,895	29,964
Cash and cash equivalents	76,007	158,494	123,127	123,615	81,606
Total Assets	373,397	392,731	385,533	455,158	368,810
Other current liabilities	62,151	54,324	50,522	140,151	63,856
Borrowings	8,000	11,634	-	-	-
Other non-current liabilities	2,573	2,137	2,857	2,138	406
Equity attributable to equity holders of the Company	280,779	304,425	310,471	291,161	281,920
Non-controlling interests	19,894	20,211	21,683	21,708	22,628
Total Equity and Liabilities	373,397	392,731	385,533	455,158	368,810
Per Ordinary Share					
Net tangible assets per share (US cents)	30.19	32.61	33.26	31.19	30.20
Earnings per share (US cents)	1.11	3.93	1.93	1.98	4.76
Ordinary dividend per share (SG cents)	1.00	1.00	1.00	1.00	1.00
Special dividend per share (SG cents)	-	2.00	-	1.00	-
Financial Ratios					
Dividend payout ratio (%)	67.00	56.81	41.49	80.06	16.52
Return on total assets (%)	2.75	9.33	4.67	4.06	12.05
Return on average equity (%)	3.52	11.92	5.99	6.44	15.70

[1] Comparatives have been restated to conform with current year's presentation.

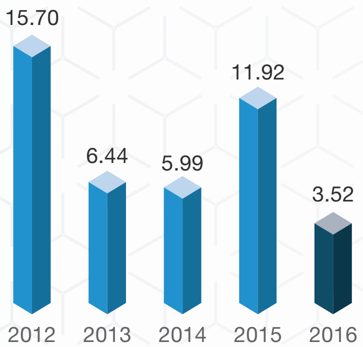
Profit attributable to shareholders
(US$ million)



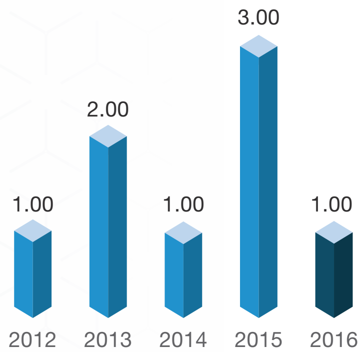
Earnings per share
(US cents)



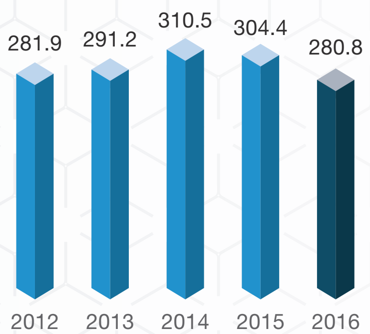
Return on average equity
(%)



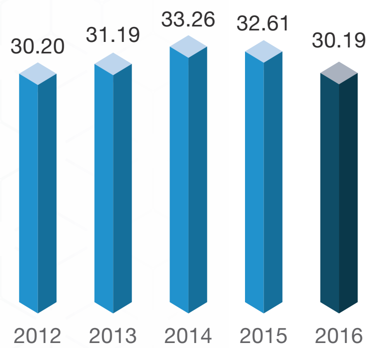
Dividend per share
(SG cents)



Shareholders' equity
(US$ million)



Net tangible assets per share
(US cents)



CORPORATE GOVERNANCE REPORT

Chuan Hup is committed to maintaining high standards of corporate governance to ensure greater transparency and maximise long-term shareholder value.

This report describes Chuan Hup's corporate governance practices for the financial year ended 30 June 2016 with reference to the principles and guidelines of the Singapore Code of Corporate Governance 2012 (the "Code"). Where there is any material deviation from any principle of the Code, an explanation has been provided within the Report.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

(Principle 1)

The Board oversees the business and affairs of the Group. It provides leadership and guidance to Management, sets strategic objectives and ensures that the necessary financial and human resources are in place for the Company to meet its objectives and reviews Management performance. The Board establishes a framework of prudent and effective controls which enables risks to be assessed and managed. The Board also sets the Company's values and standards, and ensures that obligations to its shareholders and other key stakeholders are understood and met.

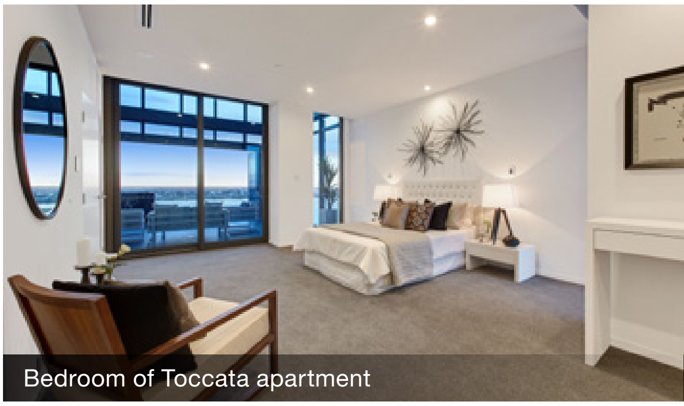
The Board is responsible for the Group's overall performance objectives, key operational initiatives, financial plans and annual budgets, major investments, divestments and major funding proposals, financial performance reviews, risk management and corporate governance practices. Each Director exercises his independent judgement to act in good faith and the best interest of the Company to enhance the long-term value of the Group to its shareholders.

The Board is supported by the Board Committees established to assist the Board in discharging its responsibilities of overseeing the Group's affairs and enhancing corporate governance. These Committees are the Audit Committee, the Remuneration Committee and the Nominating Committee.

The Board meets on a regular basis. Where necessary, additional Board meetings are held to deliberate on any ad hoc significant matters. Attendance by conference telephone and video conference at Board meetings is allowed under Chuan Hup's Constitution. An aggregate of 5 Board meetings were held for the financial year ended 30 June 2016. The Directors' attendance at Board meetings and meetings of the various Board Committees during the financial year ended 30 June 2016 are as follows:

BOARD MEETINGS		
DIRECTORS	No. of Meetings Held	No. of Meetings Attended
Prof. Tan Cheng Han	5	5
Mr Peh Kwee Chim	5	4
Mr Peh Siong Woon Terence	5	5
Mdm Joanna Young Sau Kwan	5	5
Mr Lim Kwee Siah	5	5

BOARD COMMITTEE MEETINGS						
	AUDIT COMMITTEE		REMUNERATION COMMITTEE		NOMINATING COMMITTEE	
DIRECTORS	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Prof. Tan Cheng Han	4	4	3	3	1	1
Mr Peh Kwee Chim	-	-	-	-	1	1
Mdm Joanna Young Sau Kwan	4	4	3	3	1	1
Mr Lim Kwee Siah	4	4	3	3	-	-


Bedroom of Toccata apartment


Lobby of Signa Designer Residences

The Company has in place a set of internal controls and guidelines that sets out finance authorisation and approval limits for borrowings, investments, acquisitions, disposals, capital and operating expenditures and expenses. The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to Management to facilitate operational efficiency.

Management briefs new Directors on the Company's business and strategic directions, as well as governance practices. Formal letters are issued to newly-appointed Directors upon their appointment, including details of their duties and responsibilities as Directors. As part of training for the Board, Directors are briefed either during Board and Board Committee meetings or at specially convened sessions on changes to regulations and accounting standards, as well as industry related matters. Where appropriate, Directors are sent for conferences and seminars in relevant fields. Articles and reports relevant to the Group's business are also circulated to the Directors for information.

BOARD COMPOSITION AND GUIDANCE

(Principle 2)

The Board currently comprises 5 Directors, 2 of whom are Non-Executive, Independent Directors, 1 of whom is a Non-Executive Director and 2 of whom are Executive Directors. The Non-Executive, Independent Directors are Prof. Tan Cheng Han and Mdm Joanna Young Sau Kwan. The Non-Executive Director is Mr Lim Kwee Siah. The Executive Directors are Mr Peh Kwee Chim and Mr Peh Siong Woon Terence.

The Directors bring with them a broad range of expertise and experience in areas such as accounting and finance, law, business and management and industry knowledge. The diversity of the Directors' experience allows for the useful exchange of ideas and views and strategic planning experience.

The Nominating Committee reviews the independence of each Director annually, taking into account the guidance provided in the Code. The Board having taken into account the views of the Nominating Committee, considered Mdm Joanna Young Sau Kwan to be independent. The Board and the Nominating Committee have determined that Prof. Tan Cheng Han be considered independent notwithstanding that his spouse, Ms Valerie Tan May Wei, is the Head, Legal and Corporate Secretarial and the Group Company Secretary, as Ms Tan reports to the Chief Executive Officer, and Prof. Tan abstains from discussions and decisions relating to her remuneration. In any event, the Board and the Nominating Committee consider Prof. Tan to be an Independent Director because he is a strong-minded individual who is able to exercise independent judgement with a view to the best interests of the Company at all times in the discharge of his duties as Director.

Prof. Tan and Mdm Joanna Young have served as Independent Directors on the Board of the Company since their appointment in 2001 and 2003 respectively. The Board has subjected their independence to particularly rigorous review and established that despite serving as Directors for more than nine years, Prof. Tan and Mdm Young continue to demonstrate strong independence in character and judgement in the discharge of their responsibilities as Directors of the Company. The Board therefore continued to deem Prof. Tan and Mdm Young as Independent Directors.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

(Principle 3)

Different individuals assume the Chairman and the Chief Executive Officer functions in Chuan Hup. There is a clear separation of the roles and responsibilities between the Chairman and the Chief Executive Officer. The Chairman's responsibilities include chairing the Board meetings and guiding the Board on its discussions on significant issues. The Chief Executive Officer is responsible for the day-to-day management of the business and the overall performance of the Group. The Chairman and the Chief Executive Officer are not related.

CORPORATE GOVERNANCE REPORT

BOARD MEMBERSHIP

(Principle 4)

The Nominating Committee comprises Prof. Tan Cheng Han (Committee Chairman), Mr Peh Kwee Chim and Mdm Joanna Young Sau Kwan, the majority of whom including the Chairman, are Non-Executive, Independent Directors.

The Nominating Committee's functions include reviewing Board succession plans for Directors, evaluating the performance of the Board, Board Committees and Directors, considering and making recommendations to the Board concerning the appointment and re-election of and determining the independence of the Directors. The role and functions of the Nominating Committee are set out in its Terms of Reference.

When selecting new Directors, the Nominating Committee takes into consideration the skills and experience required and the current composition of the Board, and strives to ensure that the Board has an appropriate balance of independent Directors as well as Directors with the right profile of expertise, skills, attributes and experience.

In evaluating a Director's contribution and performance for the purpose of re-election, the Nominating Committee takes into consideration a variety of factors such as attendance, preparedness, participation and candour.

At each Annual General Meeting ("AGM") of the Company, not less than one third of the Directors for the time being (being those who have been longest in office since their last re-election) are required to retire from office by rotation. A retiring Director is eligible for re-election by the shareholders of the Company at the AGM. Also, all newly appointed Directors during the year will hold office only until the next AGM and will be eligible for re-election.

Key information on the Directors is set out on pages 6 and 7 of this Annual Report.

The Nominating Committee has reviewed the contribution by each Director taking into account their listed company board representations and other principal commitments. As the Directors have given sufficient time, effort and attention to the affairs of the Company, notwithstanding their other directorships and other principal commitments, the Nominating Committee and the Board are of the view that there is no necessity to regulate the maximum number of listed company board representations that the Directors may hold.

BOARD PERFORMANCE

(Principle 5)

The Board has implemented a process carried out by the Nominating Committee, for assessing the effectiveness of the Board as a whole, effectiveness of its Board Committees and the contribution by each individual Director to the effectiveness of the Board on an annual basis. The performance evaluation process covers a range of issues including size and composition of the Board and Board Committees, information management, decision-making, Board processes, risk management, communication with Senior Management and stakeholder management. The evaluation and feedback are then consolidated and presented to the Board for discussion on strengths and weaknesses to improve the effectiveness of the Board and its Committees.

ACCESS TO INFORMATION

(Principle 6)

The Directors are provided with Board papers and related materials, background or explanatory information in advance of each Board Meeting to enable them to be properly informed of matters to be discussed and/or approved, as well as ongoing reports relating to operational and financial performance of the Group. The Board has separate and independent access to Senior Management and the Company Secretary at all times. The Company Secretary also assists the Chairman by ensuring good information flows within the Board and its Committees, and between Senior Management and the Non-Executive Directors. The Company Secretary attends and prepares minutes for all Board Meetings, and her appointment or removal is subject to the Board's approval.

Directors, either individually or as a group, may seek and obtain independent professional advice to assist them in their duties, if necessary at the expense of Chuan Hup.

REMUNERATION MATTERS

(Principles 7, 8 and 9)

The Remuneration Committee comprises Prof. Tan Cheng Han (Committee Chairman), Mdm Joanna Young Sau Kwan and Mr Lim Kwee Siah, all of whom are Non-Executive and the majority of whom, including the Chairman, are Independent Directors.

Exterior of PCI Kunshan plant

Clean Room of PCI Batam plant

The duties of the Remuneration Committee include the following:

a. Reviewing and recommending to the Board for endorsement, a framework of remuneration for the Board and key management personnel. The framework covers all aspect of remuneration, including but not limited to director's fees, salaries, allowances, bonuses and benefits in kind;

b. Reviewing and recommending to the Board for endorsement, the specific remuneration packages for each Director, as well as for the key management personnel; and

c. Reviewing the level and mix of remuneration and benefits, policies and practices of the Company.

The role and functions of the Remuneration Committee are set out in its Terms of Reference, which set out its authority and duties.

The objective of the Group's remuneration policy is to ensure that the level and structure of the remuneration are aligned with the long-term interests and risk policies of the Company, and that the remuneration is able to attract, retain and motivate the Board to provide good stewardship of the Company and Senior Management to successfully manage the Company and Group as a whole.

Chian Hup's remuneration mix for key management personnel comprises fixed and variable components. The variable component comprises short-term and long-term incentives, which are dependent on the financial performance of the Group and individual performance. The Remuneration Committee strongly supports and endorses the flexible wage system because it gives the Company more flexibility to ride through economic downturns. The Remuneration Committee has adopted net asset growth and profitability of the Group as key performance measures. This aligns remuneration with the interests of the shareholders and promotes the long-term sustainable growth of the Group.

Presently, the Company does not have any share option scheme.

For financial year ended 30 June 2016, there were no termination, retirement and post-employment benefits granted to Directors, the Chief Executive Officer and the top five key management personnel (who are not Directors or the Chief Executive Officer).

Non-Executive Directors are paid a fixed fee, taking into account the effort, time spent and responsibilities of each Non-Executive Director. The fees of Non-Executive Directors are subject to shareholders' approval at the AGM. Executive Directors do not receive any Directors' fees. No individual Director fixes his own remuneration.

Having reviewed and considered the variable components of remuneration of the Executive Directors and key management personnel, which are moderate, the Remuneration Committee is of the view that there is no requirement to institute contractual provisions in the terms of employment to reclaim incentive components of their remuneration in exceptional circumstances of misstatement of financial results or of misconduct resulting in financial loss to the Company.

The Directors' and the Chief Executive Officer's remuneration is disclosed on the next page in bands of US$180,000. The remuneration of the top five key management personnel in the Group (who are not Directors or the Chief Executive Officer of the Company) is shown in bands of US$180,000. Due to the sensitivity and confidentiality of remuneration matters, the Board is of the view that it is in the best interests of the Company not to fully disclose the remuneration of each individual Director, the Chief Executive Officer and the top five key management personnel (who are not Directors or the Chief Executive Officer) and the aggregate total remuneration paid to the top five key management personnel (who are not Directors or the Chief Executive Officer).

The remuneration of Ms Valerie Tan May Wei, the spouse of Prof. Tan Cheng Han, Non-Executive Chairman, exceeded US$36,000 during FY2016 and is shown in bands of US$180,000. Due to the sensitivity and confidentiality of remuneration matters, the Board is of the view that it is in the best interests of the Company not to disclose the remuneration of Ms Tan in incremental bands of US$36,000.

CORPORATE GOVERNANCE REPORT

REMUNERATION PAID OR ACCRUED TO DIRECTORS AND THE CHIEF EXECUTIVE OFFICER BY THE GROUP FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Directors/ Chief Executive Officer of Company	Fixed Component[1] (%)	Variable Component[2] (%)	Directors' Fee (%)	Total Compensation (%)
US$720,000 to US$899,999				
Mr Peh Kwee Chim	78	22	-	100
Mr Peh Siong Woon Terence (Chief Executive Officer and Executive Director)	76	24	-	100
Below US$180,000				
Prof. Tan Cheng Han	-	-	100	100
Mdm Joanna Young Sau Kwan	-	-	100	100
Mr Lim Kwee Siah	-	-	100	100

Notes:

[1] Fixed component refers to base salary, allowances, benefits in kind and employer CPF.

[2] Variable component refers to AWS, variable bonus and employer CPF.

REMUNERATION PAID OR ACCRUED TO THE TOP FIVE KEY MANAGEMENT PERSONNEL (WHO ARE NOT DIRECTORS OR THE CHIEF EXECUTIVE OFFICER) BY THE GROUP FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Key Management Personnel of Company	Fixed Component[1] (%)	Variable Component[2] (%)	Total Compensation (%)
US$360,000 to US$539,999			
Mr Eldon Wan	66	34	100
US$180,000 to US$359,999			
Ms Teng Yuun Yean	81	19	100
Ms Valerie Tan May Wei	80	20	100
Below US$180,000			
Ms Liew Ngin Moi	78	22	100
Ms Chan Ching Harn	80	20	100

Notes:

[1] Fixed component refers to base salary, allowances, benefits in kind and employer CPF.

[2] Variable component refers to AWS, variable bonus and employer CPF.

ACCOUNTABILITY AND AUDIT

ACCOUNTABILITY
(Principle 10)

The Board through its timely release of the Company's and the Group's quarterly and full year results, aims to provide shareholders with a balanced and understandable assessment of the Company's and the Group's performance, position and prospects. The Board also ensures timely and full disclosure of material corporate developments to shareholders.

Chuan Hup recognises the importance of providing the Board with a continual flow of relevant information on an accurate and timely basis in order that it may effectively discharge its duties. On a regular basis, Board members are provided with business and financial reports comparing actual performance with budget with highlights on key business indicators and major issues.

RISK MANAGEMENT AND INTERNAL CONTROLS
(Principle 11)

The Board has overall responsibility for the governance of the Group's risk management and internal controls. The Board and Management of the Company are fully committed to maintaining sound risk management and internal control systems to safeguard shareholders' interests and the Group's assets.

The Board determines the Company's levels of risk tolerance and risk policies, and oversees Management in the design, implementation and monitoring of the risk management and internal control systems.

The Board has implemented an Enterprise Risk Management Framework for the identification, assessment, monitoring and reporting of significant risks. The Company maintains a risk register which identifies the material risks facing the Group and the internal controls in place to manage or mitigate those risks. Management reviews and updates the risk register regularly and updates the Board.

On an annual basis, the Group's internal audit function prepares an audit plan taking into consideration risks identified and assessed from the risk management system. This risk-based audit plan is approved by the Audit Committee and audits are conducted to assess the adequacy and effectiveness of the Group's system of internal controls in addressing financial, operational, information technology and compliance risks. In addition, material control weaknesses over financial reporting, if any, are highlighted by the external auditor in the course of the statutory audit.

All audit findings and recommendations made by the internal and external auditors are reported to the Audit Committee and significant findings are discussed at the Audit Committee meetings. Management follows up on all recommendations to ensure timely remediation of audit issues and reports the status to the Audit Committee.

The Board has received assurance from the Chief Executive Officer and the Group Chief Financial officer that:

a. The financial records of the Group have been properly maintained and the financial statements for the year ended 30 June 2016 give a true and fair view of the Group's operations and finances; and

b. The system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology risks.

Based on the risk management and internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management and the Board Committees as well as the assurance received from the Chief Executive Officer and the Group Chief Financial Officer, the Board, with the concurrence of the Audit Committee, is of the opinion that the Group's risk management systems and internal controls were adequate and effective as at 30 June 2016 to address financial, operational, compliance and information technology risks, which the Group considers relevant and material to its operations.

The Board notes that the system of risk management and internal controls established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system of risk management and internal controls can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

(Principle 12)

The Audit Committee comprises Mdm Joanna Young Sau Kwan (Committee Chairman), Prof. Tan Cheng Han and Mr Lim Kwee Siah, all of whom are Non-Executive, and the majority of whom, including the Chairman, are Independent Directors. Mdm Joanna Young Sau Kwan and Mr Lim Kwee Siah have accounting and related financial management expertise and experience. The Board considers Prof. Tan Cheng Han as having sufficient financial knowledge and experience to discharge his responsibilities as a member of the Committee.

The role of the Audit Committee is documented in its Terms of Reference, which define the purpose, authority and responsibilities of the Audit Committee.

The Audit Committee has full access to and co-operation of Management. The Audit Committee also has full discretion to invite any Director or executive officer to attend its meetings, and has been given adequate resources to discharge its functions. The Audit Committee meets with the internal and external auditors without the presence of Management annually.

The Audit Committee meets at least four times a year. The Audit Committee's duties include the following:

a. reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

b. assessing the adequacy and effectiveness of the internal controls (including material financial, operational, compliance and information technology controls) and risk management system;

c. reviewing the effectiveness of the Company's internal audit function;

d. reviewing the scope and results of the external audit, independence and objectivity of the external auditor;

e. making recommendations to the Board on the proposals to the shareholders relating to the appointment, re-appointment and removal of the external auditor, and approving the remuneration of the external auditor;

f. reviewing interested person transactions falling within the scope of Chapter 9 of the Listing Manual of the SGX-ST; and

g. reviewing arrangements by which employees of the Company and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, with a view to ensuring that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action.

Some of the Company's subsidiaries and its associated company, Finbar Group Limited, are audited by different auditors. The names of these auditors are listed on page 59 and 61 of the Annual Report. The Board and the Audit Committee are satisfied that the appointment of these auditors would not compromise the standard and effectiveness of the audit of the Group. Accordingly, the Board confirms that Rule 712 and Rule 715 read with Rule 716 of the SGX-ST Listing Manual have been complied with.

The Audit Committee has nominated Ernst and Young LLP for re-appointment as auditor of the Company at the forthcoming Annual General Meeting.

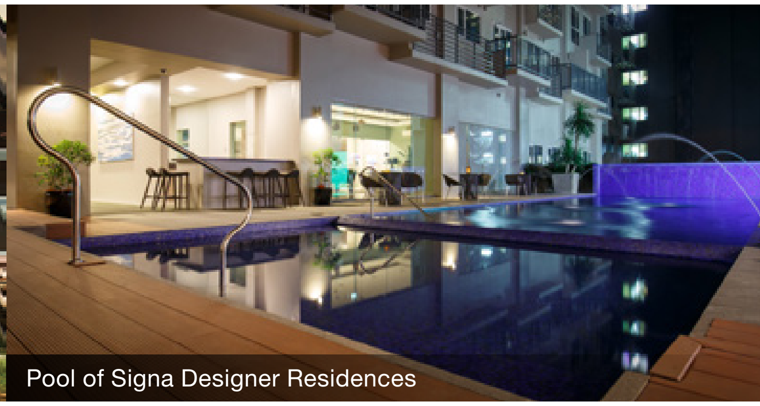
The Audit Committee considered the volume of non-audit services provided by the external auditor to the Group, and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor, confirmed their re-nomination. The aggregate amount of fees paid to the external auditor in FY2016 and a breakdown of the fees paid in respect of audit and non-audit services are stated in the notes to the financial statements.

Changes to accounting standards and accounting issues which have a direct impact on the financial statements were reported to the Audit Committee, and highlighted by the external auditor in their meetings with the Audit Committee.

INTERESTED PERSON TRANSACTIONS POLICY

The Company has procedures in place to comply with the SGX-ST Listing Manual requirements relating to interested person transactions of the Company.

Exterior of Unison on Tenth



Pool of Signa Designer Residences

The aggregate value of interested person transactions ("IPTs") entered into during the financial year under review is as follows:

Name of Interested Person	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S$100,000/ US$74,110) and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000/US$74,110)
	S$/US$	S$/US$
Mr Lim Kwee Siah - provision of consultancy services	157,800/113,607	NIL

WHISTLEBLOWING POLICY

The Company has implemented a whistleblowing policy, which serves to encourage and provide a channel to employees of the Company and any other persons to report in good faith and in confidence, without fear of reprisals, concerns about possible wrongdoing or breach of applicable laws, regulations, policies or other matters. The objectives for such arrangement is to ensure independent investigation of such matters and for appropriate follow-up action. A whistleblower may report concerns about possible improprieties directly to the Chairman of the Audit Committee under confidential mail.

INTERNAL AUDIT
(Principle 13)

The Company has established an in-house internal audit function that is independent of the activities it audits. The Internal Auditor reports primarily to the Chairman of the Audit Committee and administratively to the Chief Executive Officer. The Internal Auditor carries out its function according to the standards set by recognised professional bodies.

For the financial year ended 30 June 2016, the Audit Committee reviewed and approved the annual internal audit plan and ensured that the internal audit function was adequately resourced and had appropriate standing within the Group and cooperation of the Management to carry out its duties effectively.

SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

SHAREHOLDER RIGHTS, COMMUNICATION WITH SHAREHOLDERS AND CONDUCT OF SHAREHOLDER MEETINGS
(Principles 14, 15 and 16)

The Company communicates information to shareholders and the investing community through announcements that are released to the SGX-ST via SGXNET. Such announcements include the quarterly and full year results, material transactions, and other developments relating to the Group requiring disclosure under the corporate disclosure policy of the SGX-ST. The Company also maintains a website at www.chuanhup.com.sg where the public can access information on the Group.

Shareholders are invited to attend, participate and vote at the general meetings. The notice of meetings is given within the stipulated timeline and the shareholders are informed of the relevant rules and voting procedures of the meetings.

The Company fully supports shareholders' participation at Annual General Meetings and Extraordinary General Meetings. Shareholders are informed of general meetings through published notices, reports and circulars sent to all shareholders. The notice of general meeting, which sets out all items of business to be transacted at the general meeting, is also released via SGXNET and published in The Business Times.

CORPORATE GOVERNANCE REPORT

A shareholder who is entitled to attend and vote may either vote in person or in absentia through the appointment of one or more proxies (who can either be named individuals nominated by the shareholder to attend the meeting or the Chairman of the meeting as the shareholder may select). The Company's Constitution allows a shareholder of the Company to appoint up to two proxies to attend and vote in place of the shareholder. Pursuant to the introduction of the multiple proxies regime under the Singapore Companies (Amendment) Act 2014, indirect investors who hold Chuan Hup shares through a nominee company or custodian bank or through a CPF agent bank may attend and vote at the Annual General Meeting.

The Company's main forum for dialogue and interaction with shareholders takes place at its Annual General Meeting, where the members of the Board, the Chairman of each Board Committee, Senior Management and the external auditor are in attendance. At the Annual General Meeting, shareholders are given the opportunity to air their views and ask questions regarding the Company.

The Board ensures that there are separate resolutions at general meetings of the Company. The external auditor is also present to address shareholders' queries on the conduct of audit and the preparation and content of the auditor's report.

The Company prepares detailed minutes of general meetings, which include substantive comments or queries from shareholders and responses from the Chairman, Board Members and Management. These minutes are available to shareholders upon their request.

To ensure transparency in the voting process, the Company puts all resolutions at general meetings to vote by electronic poll voting. A scrutineer is also appointed to count and validate the votes cast at the meetings. Detailed results showing the number of votes cast for and against each resolution and the respective percentage will be displayed live-on-screen to shareholders/proxies immediately after each poll conducted. The polling results are also announced on the SGX-ST and the Company's website. However, as the authentication of shareholder identity and other related security and integrity of the information still remain a concern, Chuan Hup has decided for the time being, not to implement voting in absentia by e-mail or fax.

The Company's policy on the payment of dividends (excluding special dividends) is to endeavour – barring unforeseen circumstances– to pay up to fifty percent (50%) of net profit after tax. In considering the level of dividend payments, the Board takes into account various factors including the level of available cash, the return on equity and retained earnings and projected level of capital expenditure and other investment plans.

DEALING IN SECURITIES

The Group has clear internal guidelines for dealings in securities by Directors and employees. Chuan Hup's Directors and employees are prohibited from dealing in Chuan Hup's shares for the period of two weeks prior to the announcement of quarterly results and a period of one month prior to the announcement of year end results. In addition, Directors and employees are prohibited from dealing in Chuan Hup's shares on short-term considerations and/or while in possession of unpublished material price-sensitive information relating to Chuan Hup shares.

CONCLUSION

The Company recognises the importance of good corporate governance practices for maintaining and promoting investor confidence. The Company will continue to review and improve its corporate governance practices on an ongoing basis.

FINANCIAL STATEMENTS

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Chuan Hup Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the statement of comprehensive income, balance sheet and statement of changes in equity of the Company for the financial year ended 30 June 2016.

1. Opinion of the directors

In the opinion of the directors,

(i) the accompanying consolidated financial statements of the Group and the statement of comprehensive income, balance sheet, and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2016 and the financial performance, changes in equity of the Group and the Company and cash flows of the Group for the year ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The directors of the Company in office at the date of this statement are:

Prof. Tan Cheng Han
Mr Peh Siong Woon Terence
Mr Peh Kwee Chim
Mdm Joanna Young Sau Kwan
Mr Lim Kwee Siah

3. Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

4. Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under section 164 of the Companies Act, Chapter 50 of Singapore, interests in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
Name of director	**At beginning of year**	**At end of year**	**At beginning of year**	**At end of year**
Chuan Hup Holdings Limited				
(ordinary shares)				
Mr Peh Kwee Chim	19,379,000	19,379,000	478,264,490**	478,264,490**
Mr Peh Siong Woon Terence	–	–	478,264,490**	478,264,490**
Mdm Joanna Young Sau Kwan	22,500	22,500	–	–
Mr Lim Kwee Siah	230,000	230,000	–	–

DIRECTORS' STATEMENT

4. Directors' interests in shares and debentures (cont'd)

	Direct interest		Deemed interest	
Name of director	At beginning of year	At end of year	At beginning of year	At end of year
PCI Limited				
(ordinary shares)				
Prof. Tan Cheng Han	40,000	40,000	–	–
Mr Peh Kwee Chim	–	–	152,701,506**	152,701,506**
Mr Peh Siong Woon Terence	–	–	152,701,506**	152,701,506**

** Deemed to have an interest pursuant to section 4 of the Securities and Futures Act, Chapter 289 of Singapore and section 7 of the Companies Act, Chapter 50 of Singapore.

By virtue of section 4 of the Securities and Futures Act, Chapter 289 of Singapore and section 7 of the Companies Act, Chapter 50 of Singapore, Mr Peh Kwee Chim and Mr Peh Siong Woon Terence are deemed to have an interest in all the related corporations of the Company.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 July 2016.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning, or at the end of the financial year.

5. Share options

(a) Options to take up unissued shares

During the financial year, no option to take up unissued shares of the Company or any corporation in the Group was granted.

(b) Options exercised

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under options

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

6. Audit committee

The Audit Committee comprises the following Non-Executive Directors at the date of this statement:

Mdm Joanne Young Sau Kwan (Chairman)
Prof. Tan Cheng Han
Mr Lim Kwee Siah

All the Audit Committee members, except Mr Lim Kwee Siah, are independent.

The Audit Committee carried out its functions in accordance with section 201B(5) of the Companies Act, Chapter 50 of Singapore and the Singapore Exchange Securities Trading Limited Listing Manual. The functions carried out are detailed in the Corporate Governance Report, which is included in the Company's Annual Report for the financial year ended 30 June 2016, and include a review of the financial statements of the Company and of the Group for the financial year and the auditor's report thereon.

DIRECTORS' STATEMENT

6. Audit committee (cont'd)

Accordingly, the Audit Committee has also undertaken a review of the nature and extent of non-audit services provided by the external auditor to the Group. In the opinion of the Audit Committee, these services would not affect the independence of the external auditor.

The Audit Committee has recommended to the Board that the auditor, Ernst & Young LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

7. Directors' contractual benefits

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit (other than as disclosed in the financial statements or in this report), by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

8. Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors,

Peh Siong Woon Terence
Director

Peh Kwee Chim
Director

Singapore

7 September 2016

INDEPENDENT AUDITOR'S REPORT

to the Members of Chuan Hup Holdings Limited
for the financial year ended 30 June 2016

Report on the Financial Statements

We have audited the accompanying financial statements of Chuan Hup Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 26 to 87, which comprise the balance sheets of the Group and the Company as at 30 June 2016, the statements of comprehensive income and the statements of changes in equity of the Group and the Company and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Companies Act, Chapter 50 of Singapore (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of comprehensive income, balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and the Company as at 30 June 2016 and of the financial performance and changes in equity of the Group and the Company, and cash flows of the Group for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditor have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

7 September 2016

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 30 June 2016

	Note	Group 2016	Group 2015	Company 2016	Company 2015
		US$'000	US$'000	US$'000	US$'000
Revenue	4	238,508	235,002	12,304	22,344
Raw material and consumables		(136,277)	(142,752)	–	–
Manufacturing expenses		(21,983)	(22,680)	–	–
Business development expenses		(1,273)	(1,338)	–	–
Property development expense		(46,907)	(33,389)	–	–
Other operating expenses		(2,374)	(3,448)	–	–
Changes in fair value of investment securities		(408)	(415)	(1,826)	(178)
Changes in fair value of derivative financial instruments		(131)	(437)	(134)	(62)
Impairment loss on available-for-sale investments		(4,398)	(1,288)	(1,555)	(746)
Employee benefits expense	5	(8,348)	(10,388)	(2,912)	(3,412)
Depreciation/amortisation expense		(2,737)	(2,349)	(53)	(8)
Other (expenses)/income		(2,297)	(2,356)	87	1,360
Other gains, net	6	3,170	23,438	6,961	18,869
Finance costs		(115)	(144)	–	–
Share of results of an associate	15	238	3,092	–	–
Profit before tax	7	14,668	40,548	12,872	38,167
Income tax (expense)/credit	8	(3,044)	(1,241)	347	546
Profit for the year		11,624	39,307	13,219	38,713
Other comprehensive (loss)/income:					
Items that will not be reclassified to profit or loss:					
Share of loss on property revaluation of an associate		(14)	–	–	–
Items that may be reclassified subsequently to profit or loss:					
Available-for-sale investments:					
Changes in fair value		(9,734)	(25,957)	(7,749)	(25,543)
Fair value changes reclassified to profit or loss		2,991	–	1,191	–
Reclassification of realised loss on disposal to profit or loss		–	–	63	–
Reclassification of investment revaluation reserve to profit or loss when an investment became an associate		(6,372)	–	(7,974)	–
Exchange differences arising from translation of foreign operations		(405)	(10,026)	–	–
Other comprehensive loss for the year, net of tax		(13,534)	(35,983)	(14,469)	(25,543)
Total comprehensive (loss)/income for the year		(1,910)	3,324	(1,250)	13,170
Profit attributable to:					
Equity holders of the Company		10,286	36,659		
Non-controlling interests		1,338	2,648		
		11,624	39,307		
Total comprehensive (loss)/income attributable to:					
Equity holders of the Company		(3,250)	1,145		
Non-controlling interests		1,340	2,179		
		(1,910)	3,324		
Earnings per share (US cents):	9				
Basic		1.11	3.93		
Diluted		1.11	3.93		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

as at 30 June 2016

	Note	Group 2016	Group 2015	Company 2016	Company 2015
		US$'000	US$'000	US$'000	US$'000
Assets					
Non-current assets					
Plant and equipment	11	9,743	4,303	498	16
Prepaid lease payments	12	19,304	19,902	–	–
Investment properties	13	24,301	24,386	–	–
Subsidiaries	14	–	–	57,801	57,801
Associate	15	33,230	–	33,400	–
Investment securities	17	48,150	58,167	5,430	45,693
Other receivables	22	12,871	2,114	–	–
Other assets	18	237	264	–	–
Deferred tax assets	19	79	9	–	–
		147,915	109,145	97,129	103,510
Current assets					
Development properties	20	33,827	39,801	–	–
Inventories	21	31,069	27,193	–	–
Trade and other receivables	22	55,276	38,232	123	95
Tax recoverable		284	449	–	–
Amounts due from subsidiaries	23	–	–	91,729	68,415
Investment securities	17	29,019	19,402	13,709	3,361
Derivative financial instruments	24	–	15	–	–
Cash and cash equivalents	25	76,007	158,494	22,453	74,684
		225,482	283,586	128,014	146,555
Total assets		373,397	392,731	225,143	250,065
Equity and liabilities					
Current liabilities					
Borrowings	26	8,000	372	–	–
Trade and other payables	27	58,623	50,201	2,393	4,052
Amounts due to subsidiaries	28	–	–	8,079	9,896
Income tax payable		3,076	3,787	118	81
Derivative financial instruments	24	452	336	189	54
		70,151	54,696	10,779	14,083
Non-current liabilities					
Borrowings	26	–	11,262	–	–
Other payables	27	258	157	28	–
Deferred tax liabilities	19	2,315	1,980	–	–
		2,573	13,399	28	–
Total liabilities		72,724	68,095	10,807	14,083
Equity					
Share capital	29	151,194	152,009	151,194	152,009
Reserves	30	(2,399)	11,137	–	14,469
Accumulated profits		131,984	141,279	63,142	69,504
Equity attributable to equity holders of the Company		280,779	304,425	214,336	235,982
Non-controlling interests		19,894	20,211	–	–
Total equity		300,673	324,636	214,336	235,982
Total equity and liabilities		373,397	392,731	225,143	250,065

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 30 June 2016

	Attributable to equity holders of the Company								
Group	Share capital	Foreign currency translation reserve	Investment revaluation reserve	Capital reserve	Asset revaluation reserve	Accumulated profits	Total	Non-controlling interests	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 July 2015	152,009	(2,863)	13,657	343	–	141,279	304,425	20,211	324,636
Profit for the year	–	–	–	–	–	10,286	10,286	1,338	11,624
Other comprehensive (loss)/ income									
Available-for-sale investments:									
Changes in fair value	–	–	(9,734)	–	–	–	(9,734)	–	(9,734)
Fair value changes reclassified to profit or loss	–	–	2,991	–	–	–	2,991	–	2,991
Reclassification of investment revaluation reserve to profit or loss when an investment became an associate	–	–	(6,372)	–	–	–	(6,372)	–	(6,372)
Share of loss on property revaluation of an associate	–	–	–	–	(14)	–	(14)	–	(14)
Exchange differences arising from translation of foreign operations	–	(407)	–	–	–	–	(407)	2	(405)
Other comprehensive (loss)/ income, net of tax	–	(407)	(13,115)	–	(14)	–	(13,536)	2	(13,534)
Total comprehensive (loss)/ income for the year	–	(407)	(13,115)	–	(14)	10,286	(3,250)	1,340	(1,910)
Contributions by and distributions to owners									
Dividends paid to equity holders of the Company (Note 10)	–	–	–	–	–	(19,581)	(19,581)	–	(19,581)
Dividends paid to non-controlling interests of subsidiary	–	–	–	–	–	–	–	(1,657)	(1,657)
Repurchase of shares (Note 29)	(815)	–	–	–	–	–	(815)	–	(815)
Total contributions by and distributions to owners	(815)	–	–	–	–	(19,581)	(20,396)	(1,657)	(22,053)
Balance at 30 June 2016	151,194	(3,270)	542	343	(14)	131,984	280,779	19,894	300,673

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 30 June 2016

Group	Share capital	Foreign currency translation reserve	Investment revaluation reserve	Capital reserve	Accumulated profits	Total	Non-controlling interests	Total equity
	Attributable to equity holders of the Company							
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 July 2014	152,009	6,694	39,614	343	111,811	310,471	21,683	332,154
Profit for the year	–	–	–	–	36,659	36,659	2,648	39,307
Other comprehensive loss								
Available-for-sale investments:								
Changes in fair value	–	–	(25,957)	–	–	(25,957)	–	(25,957)
Exchange differences arising from translation of foreign operations	–	(9,557)	–	–	–	(9,557)	(469)	(10,026)
Other comprehensive loss, net of tax	–	(9,557)	(25,957)	–	–	(35,514)	(469)	(35,983)
Total comprehensive (loss)/income for the year	–	(9,557)	(25,957)	–	36,659	1,145	2,179	3,324
Contributions by and distributions to owners								
Dividends paid to equity holders of the Company (Note 10)	–	–	–	–	(7,191)	(7,191)	–	(7,191)
Dividends paid to non-controlling interests of subsidiary	–	–	–	–	–	–	(3,651)	(3,651)
Total contributions by and distributions to owners	–	–	–	–	(7,191)	(7,191)	(3,651)	(10,842)
Balance at 30 June 2015	152,009	(2,863)	13,657	343	141,279	304,425	20,211	324,636

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 30 June 2016

Company	Share capital	Investment revaluation reserve	Accumulated profits	Total equity
	US$'000	US$'000	US$'000	US$'000
Balance at 1 July 2015	152,009	14,469	69,504	235,982
Profit for the year	–	–	13,219	13,219
Other comprehensive (loss)/income				
Available-for-sale investments:				
Changes in fair value	–	(7,749)	–	(7,749)
Fair value changes reclassified to profit or loss	–	1,191	–	1,191
Reclassification of investment revaluation reserve to profit or loss when an investment became an associate	–	(7,974)	–	(7,974)
Reclassification of realised loss on disposal to profit or loss	–	63	–	63
Other comprehensive loss, net of tax	–	(14,469)	–	(14,469)
Total comprehensive income/(loss) for the year	–	(14,469)	13,219	(1,250)
Contributions by and distributions to owners				
Dividends paid to equity holders of the Company (Note 10)	–	–	(19,581)	(19,581)
Repurchase of shares (Note 29)	(815)	–	–	(815)
Total contributions by and distributions to owners	(815)	–	(19,581)	(20,396)
Balance at 30 June 2016	151,194	–	63,142	214,336
Balance at 1 July 2014	152,009	40,012	37,982	230,003
Profit for the year	–	–	38,713	38,713
Other comprehensive loss				
Available-for-sale investments:				
Changes in fair value	–	(25,543)	–	(25,543)
Other comprehensive loss, net of tax	–	(25,543)	–	(25,543)
Total comprehensive income/(loss) for the year	–	(25,543)	38,713	13,170
Contributions by and distributions to owners				
Dividends paid to equity holders of the Company (Note 10)	–	–	(7,191)	(7,191)
Balance at 30 June 2015	152,009	14,469	69,504	235,982

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

for the financial year ended 30 June 2016

	Note	Group 2016	Group 2015
		US$'000	US$'000
Cash flows from operating activities			
Profit before tax		14,668	40,548
Adjustments for:			
Share of results of an associate		(238)	(3,092)
Depreciation/amortisation expense		2,737	2,349
Dividend income	4	(3,496)	(4,319)
Interest income	4	(1,141)	(1,095)
Finance costs		115	144
Unrealised foreign exchange loss/(gain)		1,306	(2,479)
Loss/(gain) on disposal of plant and equipment	6	42	(27)
Gain on disposal of leasehold property	6	–	(5,136)
Gain on disposal of an associate	6	–	(20,965)
Gain on disposal of available-for-sale investments	6	(63)	(565)
Loss on disposal of derivative financial instruments		34	–
Changes in fair value of financial assets at fair value through profit or loss		(2,607)	(571)
Changes in fair value of derivative financial instruments		131	437
Impairment loss on available-for-sale investments		4,398	1,288
Impairment loss on other assets	6	27	20
Reclassification of investment revaluation reserve to profit or loss when an investment became an associate	6	(6,372)	–
Write-back of allowance for inventory obsolescence	21	(864)	(759)
Operating cash flows before changes in working capital		8,677	5,778
Changes in working capital:			
Decrease/(increase) in development properties		5,974	(315)
(Increase)/decrease in inventories		(3,012)	1,319
(Increase)/decrease in held-for-trading investments		(20,188)	2,648
Redemption of structured deposits		744	33,069
Placement of structured deposits		(705)	(33,508)
Increase in receivables		(16,997)	(3,372)
Increase in payables		8,388	3,580
Cash flows (used in)/from operations		(17,119)	9,199
Interest paid		(107)	(134)
Interest received		810	1,136
Dividends received from held-for-trading investments		933	366
Income tax paid		(3,163)	(1,730)
Net cash flows (used in)/from operating activities		(18,646)	8,837

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

for the financial year ended 30 June 2016

	Note	Group 2016	Group 2015
		US$'000	US$'000
Cash flows from investing activities			
Purchase of plant and equipment		(7,762)	(2,290)
Proceeds from disposal of plant and equipment		155	27
Purchase of leasehold properties	12	–	(19,977)
Proceeds from disposal of leasehold properties	12	–	18,255
Purchase of investment properties	13	–	(24,466)
Purchase of available-for-sale investments		(13,742)	(4,788)
Purchase of financial assets at fair value through profit or loss		(7,000)	(10,000)
Proceeds from disposal of available-for-sale investments		770	1,188
Dividends received from available-for-sale investments		2,822	3,741
Increase in property development loans to an associate		(10,600)	(2,114)
Increase in investment in an associate		(1,310)	(2,419)
Proceeds from disposal of an associate		–	70,651
Dividends received from an associate	4	942	5,200
Net cash flows (used in)/from investing activities		(35,725)	33,008
Cash flows from financing activities			
Dividends paid to equity holders of the Company	10	(19,581)	(7,191)
Dividends paid to non-controlling interests of subsidiary	14	(1,657)	(3,651)
Drawdown of bank loan	26	8,000	11,991
Repayment of bank loan		(11,091)	(148)
Repurchase of shares	29	(815)	–
Net cash flows (used in)/from financing activities		(25,144)	1,001
Net (decrease)/increase in cash and cash equivalents		(79,515)	42,846
Effect of exchange rate changes on cash and cash equivalents		(2,972)	(7,479)
Cash and cash equivalents at beginning of year		158,494	123,127
Cash and cash equivalents at end of year	25	76,007	158,494

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

1. General information

Chuan Hup Holdings Limited (the "Company") is a limited liability company incorporated and domiciled in the Republic of Singapore. The registered office and principal place of business of the Company is located at 35 Pioneer Road North, Singapore 628475. The Company is listed on the Singapore Exchange Securities Trading Limited.

The principal activities of the Company are that of investment holding, investment trading and provision of management services.

The principal activities of its subsidiaries, associate and joint operations are set out in Notes 14, 15 and 16 to the financial statements, respectively.

The consolidated financial statements relate to the Company and its subsidiaries (referred to as the Group) and the Group's interests in its associate.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the statement of comprehensive income, balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States dollars ("USD" or "US$") and all values in the tables are rounded to the nearest thousand (US$'000), except when otherwise indicated.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 July 2015. The adoption of these standards did not have any significant financial impact on the financial performance or position of the Group and the Company.

2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	*Effective for annual periods beginning on or after*
Amendments to FRS 1 *Disclosure Initiative*	1 January 2016
Amendments to FRS 16 and FRS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to FRS 27 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to FRS 111 *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28 *Investment Entities: Applying the Consolidation Exception*	1 January 2016
Improvements to FRSs (November 2014)	
(a) Amendments to FRS 107 *Financial Instruments: Disclosures*	1 January 2016
(b) Amendments to FRS 19 *Employee Benefits*	1 January 2016

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective (cont'd)*

Description	*Effective for annual periods beginning on or after*
Amendments to FRS 7 *Disclosure Initiative*	1 January 2017
Amendments to FRS 12 *Recognition of Deferred Tax Assets for Unrealised Losses*	1 January 2017
FRS 109 *Financial Instruments*	1 January 2018
FRS 115 *Revenue from Contracts with Customers*	1 January 2018
Amendments to FRS 115: *Clarifications to FRS 115 Revenue from Contracts with Customers*	1 January 2018
FRS 116 *Leases*	1 January 2019

Except for FRS 109 and FRS 115, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes on adoption of FRS 109 and FRS 115 are described below.

FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

The Group currently measures certain investments in unquoted equity securities at cost. Under FRS 109, the Group will be required to measure the investments at fair value. Any difference between the previous carrying amount and the fair value would be recognised in the opening retained earnings when the Group apply FRS 109.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Group include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

2. Summary of significant accounting policies (cont'd)

2.4 *Basis of consolidation and business combinations*

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) Business combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of fair value of the consideration transferred in the business combination, the amount of non-controlling interests in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

2. Summary of significant accounting policies (cont'd)

2.5 *Transactions with non-controlling interests*

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to equity holders of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to equity holders of the Company.

2.6 *Foreign currency*

The financial statements are presented in USD, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) **Transactions and balances**

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) **Consolidated financial statements**

For consolidation purpose, the assets and liabilities of foreign operations are translated into USD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.7 *Plant and equipment*

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold improvements	–	Over the remaining lease term
Furniture, fittings, plant and equipment	–	3 to 10 years
Motor vehicles	–	5 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

2. Summary of significant accounting policies (cont'd)

2.8 *Prepaid lease payments*

The prepaid lease payments are initially measured at cost. Following initial recognition, prepaid lease payments are measured at cost less accumulated amortisation. The prepaid lease payments are amortised on a straight-line basis. Amortisation is computed on a straight-line basis over the period as follows:

Prepaid lease payments	–	Over the remaining lease term

2.9 *Investment properties*

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

2.10 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.11 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

2. Summary of significant accounting policies (cont'd)

2.12 *Associate*

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group account for its investment in associate using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associate is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. The profit or loss reflects the share of results of the operations of the associate. Distributions received from associate reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associate, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate are eliminated to the extent of the interest in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.13 *Joint arrangements*

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation.

Joint operations

The Group recognises in relation to its interest in a joint operation,

(i) its assets, including its share of any assets held jointly;

(ii) its liabilities, including its share of any liabilities incurred jointly;

(iii) its revenue from the sale of its share of the output arising from the joint operation;

(iv) its share of the revenue from the sale of the output by the joint operation; and

(v) its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the accounting policies applicable to the particular assets, liabilities, revenues and expenses.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

2. Summary of significant accounting policies (cont'd)

2.14 *Financial instruments*

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held-for-trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held-for-trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group. Derivatives, including separated embedded derivatives are also classified as held-for-trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss includes exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

(ii) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired, and through the amortisation process.

(iii) Available-for-sale financial assets

Equity investments classified as available-for-sale are those, which are neither classified as held-for-trading nor designated at fair value through profit or loss.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

2. Summary of significant accounting policies (cont'd)

2.14 ***Financial instruments (cont'd)***

(a) **Financial assets (cont'd)**

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset is discharged or cancelled or expires. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases and sales

All regular way purchases and sales of financial assets are recognised or de-recognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(b) **Financial liabilities**

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held-for-trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held-for-trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

(ii) Other financial liabilities

After initial recognition, other financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.14 ***Financial instruments (cont'd)***

(c) **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.15 ***Impairment of financial assets***

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired:

(a) **Financial assets carried at amortised cost**

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amount charged to the allowance account is written-off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) **Financial assets carried at cost**

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) **Available-for-sale financial assets**

In the case of equity investments classified as available-for-sale, objective evidence of impairment include: (i) significant financial difficulty of the issuer or obligor; (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

2. Summary of significant accounting policies (cont'd)

2.15 *Impairment of financial assets (cont'd)*

(c) **Available-for-sale financial assets (cont'd)**

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair values after impairment are recognised directly in other comprehensive income.

2.16 *Club membership*

Club membership was acquired separately and is not amortised as its useful life is infinite. The club membership is tested for impairment annually or more frequently if the events and circumstances indicate that the carrying value may be impaired. The useful life of club membership is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from infinite to finite is made on a prospective basis.

2.17 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. The Group also recognised investments in money market funds under cash equivalents, due to their first-class credit rating and investment in extremely short-term money market securities, undergo only minor value fluctuations and can be readily converted into known amounts of cash.

2.18 *Development properties*

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Development properties are held as inventories and are measured at the lower of cost and net realisable value.

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when incurred.

Net realisable value of development properties is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs of development properties recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

2.19 *Inventories*

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour costs and those production overheads, where applicable, that have been incurred in bringing the inventories to that present location and condition. Cost is calculated using the moving weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business, less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

In arriving at net realisable values, allowances are made when necessary for obsolete, slow moving and defective stocks.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

2. Summary of significant accounting policies (cont'd)

2.20 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognised as a finance cost.

2.21 *Financial guarantee*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

2.22 *Borrowing costs*

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended uses or sales. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.23 *Employee benefits*

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to employees. The estimated liability for annual leave is recognised for services rendered by employees up to the end of the reporting period.

2.24 *Leases*

(a) As lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

2. Summary of significant accounting policies (cont'd)

2.24 *Leases (cont'd)*

(b) **As lessor**

Leases where the Group does not transfer substantially all the risks and rewards of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 2.25. Contingent rents are recognised as revenue in the period in which they are earned.

2.25 *Revenue*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Sale of development property

Revenue from sale of development property is recognised when the significant risks and returns have been transferred to the buyer, which is normally on unconditional exchange of contracts. For conditional exchanges, revenue from such sale are recognised only when all the significant conditions are satisfied.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

Rendering of services

Revenue from rendering of services is recognised upon completion of services.

Dividend income

Dividend income from investments is recognised when the Group's right to receive payment is established.

Interest income

Interest income is recognised using the effective interest method.

2.26 *Taxes*

(a) **Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

2. Summary of significant accounting policies (cont'd)

2.26 *Taxes (cont'd)*

(b) **Deferred tax**

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

– where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– in respect of taxable temporary differences associated with investments in subsidiaries and associate, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– in respect of deductible temporary differences associated with investments in subsidiaries and associate, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) **Goods and Services Tax ("GST") and Value Added Tax ("VAT")**

Revenues, expenses and assets are recognised net of the amount of GST/VAT except:

– Where the GST/VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of GST/VAT included.

The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheets.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

2. Summary of significant accounting policies (cont'd)

2.27 ***Share capital and share issuance expenses***

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.28 ***Segment reporting***

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance.

2.29 ***Contingencies***

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheets of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

3. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 ***Judgements made in applying accounting policies***

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

(a) **Impairment of available-for-sale equity investments**

The Group records impairment charges on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their costs. The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost. For the financial year ended 30 June 2016, the Group recognised an impairment loss of US$4,398,000 (2015: US$1,288,000) for available-for-sale financial assets.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

3. Significant accounting judgements and estimates (cont'd)

3.1 *Judgements made in applying accounting policies (cont'd)*

(b) **Determination of functional currency**

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices. Management has assessed that prices are mainly denominated and settled in the respective local currency of the entities of the Group. In addition, most of the entities' cost base is mainly denominated in their respective local currency. Therefore, management concluded that the functional currency of the entities of the Group is their respective local currency.

(c) **Investment in an associate**

As at 30 June 2015, the Group held 18.0% interest in Finbar Group Limited ("Finbar"), an Australian-based property developer listed on the Australian Securities Exchange.

During the financial year, the Group was accorded two board seats by Finbar. The Group also increased its equity interest in Finbar to 19.6% through a number of open market purchases.

As a result, management determined that the Group now exercises significant influence over Finbar and accordingly, the equity interest in Finbar was reclassified from an available-for-sale investment to an associate of the Group. The Group accounts for its interest in Finbar using the equity method. The Group's share of profit of Finbar was US$238,000 for financial year ended 30 June 2016 and as of that date, the carrying amount of its interest in Finbar was US$33,230,000.

3.2 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) **Impairment assessment for plant and equipment**

Management performed an impairment assessment for plant and equipment held by a cash-generating unit ("CGU"). The recoverable amount of plant and equipment are determined based on value in use. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows. If discount rate had been 5% higher than management's estimates, with all other variables held constant, the recoverable amount would have been US$664,000 lower. No impairment was recognised as the recoverable amount of CGU is higher than its carrying value. The carrying amount of the plant and equipment held by the CGU as at 30 June 2016 was US$ 2,205,000 (2015: US$ 850,000).

(b) **Fair value measurement of investment properties**

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group engaged an independent valuation specialist to determine fair value as at 30 June 2016. The valuation technique adopted was the Direct Comparison Method of Valuation. This involves analysing recent sales evidence of similar properties in the subject and comparable developments. Adjustments were made for differences in location, age, tenure, floor area, condition, exposure, date of sale, amongst other factors, before arriving at the market value of the property. The carrying amount of the Group's investment properties at 30 June 2016 was US$24,301,000 (2015: US$24,386,000).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

3. Significant accounting judgements and estimates (cont'd)

3.2 *Key sources of estimation uncertainty (cont'd)*

(c) **Fair value of financial instruments**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These techniques involve uncertainties and require assumptions and judgements. The assumptions applied in determination of the valuation of the unquoted convertible loan and a sensitivity analysis are described in more detail in Note 32(d). The carrying amount of the unquoted convertible loan as at 30 June 2016 was US$20,178,000 (2015: US$10,571,000).

(d) **Allowance for inventories**

The Group reviews its inventory levels in order to identify slow moving and obsolete merchandise. Where the Group identifies items of inventory that had net realisable value that is lower than its carrying amount, the Group estimates the amounts of inventory loss as allowance on inventory. Management is satisfied that adequate allowance for slow moving and obsolete merchandise has been made in the financial statements. The carrying amount of inventories at the end of the reporting period is disclosed in Note 21 to the financial statements.

(e) **Deferred tax assets**

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The carrying amount of the Group's deferred tax assets as at 30 June 2016 was US$79,000 (2015: US$9,000). The unrecognised tax losses at 30 June 2016 were disclosed in Note 8.

(f) **Taxation**

Significant judgement is involved in determining the Group's provision for taxation. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on the estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax provisions in the financial period in which such determination is made.

The carrying amounts of the Group's income tax payable and deferred tax liabilities as at 30 June 2016 were US$3,076,000 and US$2,315,000 (2015: US$3,787,000 and US$1,980,000) respectively. The carrying amount of the Company's income tax payable as at 30 June 2016 was US$118,000 (2015: US$81,000).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

4. Revenue

	Group		Company	
	2016	2015	2016	2015
	US$'000	US$'000	US$'000	US$'000
Sale of goods	176,057	184,264	–	–
Sale of development properties	52,065	37,755	–	–
Rental income	3,705	3,138	–	–
Rendering of management and other services to:				
- External parties	59	250	–	16
- Subsidiaries	–	–	1,299	1,003
- Associate	–	45	–	45
Dividend income from:				
- Quoted equity investments	3,496	4,319	2,238	3,651
- Subsidiaries	–	–	7,069	11,940
- Associate	–	–	942	5,200
Interest income	1,141	1,095	227	146
Gain on disposal of held-for-trading investments	1,385	2,777	529	343
Others	600	1,359	–	–
	238,508	235,002	12,304	22,344

5. Employee benefits expense

	Group		Company	
	2016	2015	2016	2015
	US$'000	US$'000	US$'000	US$'000
Expenses including directors' remuneration and directors' fees:				
Salaries, allowances and short term benefits	7,832	9,894	2,759	3,299
Defined contribution plan	516	494	153	113
	8,348	10,388	2,912	3,412

In addition to the above, employee benefits expense relating to the Group's manufacturing and property management activities comprise salaries, allowances and short term benefits of US$15,568,000 (2015: US$15,620,000) as well as defined contribution plan payments of US$1,627,000 (2015: US$1,299,000) and are included in manufacturing expenses and other operating expenses.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

6. Other gains, net

The following items were credited/(charged) to profit or loss:

	Group		Company	
	2016	2015	2016	2015
	US$'000	US$'000	US$'000	US$'000
Gain on disposal of available-for-sale investments – external parties	63	565	63	552
Loss on disposal of available-for-sale investments – subsidiary	–	–	(63)	–
(Loss)/gain on disposal of plant and equipment	(42)	27	–	–
Gain on disposal of leasehold property	–	5,136	–	–
Gain on disposal of an associate	–	20,965	–	20,393
Other income	470	1,874	19	23
Scrap sales	91	93	–	–
Other payables written back	270	–	270	–
Impairment loss (recognised)/reversed:				
- Amount due from subsidiary (Note 23)	–	–	–	774
- Other assets (Note 18)	(27)	(20)	–	–
Waiver of debt by a subsidiary	–	–	189	–
Reclassification of investment revaluation reserve to profit or loss when an investment became an associate	6,372	–	7,974	–
Foreign exchange loss	(4,027)	(5,202)	(1,491)	(2,873)
	3,170	23,438	6,961	18,869

7. Auditors' remuneration

Auditors' remuneration for the years ended 30 June 2016 and 2015 included in arriving at profit before tax are:

	Group		Company	
	2016	2015	2016	2015
	US$'000	US$'000	US$'000	US$'000
Audit fees:				
Auditors of the Company	185	185	73	64
Other auditors	49	37	–	–
Non-audit fees:				
Auditors of the Company	37	25	30	15
Other auditors	50	33	–	–
	321	280	103	79

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

8. Income tax expense/(credit)

Major components of income tax expense/(credit)

The major components of income tax expense/(credit) for the years ended 30 June 2016 and 2015 are:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	US$'000	US$'000	US$'000	US$'000
Current income tax:				
Current income taxation	2,655	3,176	39	24
(Over)/under provision in respect of previous years	(96)	(1,490)	37	(128)
Benefits from previously unrecognised tax losses	(89)	(95)	(434)	(450)
	2,470	1,591	(358)	(554)
Deferred income tax (Note 19):				
Origination and reversal of temporary differences	65	(346)	–	–
Under/(over) provision in respect of previous years	30	(127)	–	–
	95	(473)	–	–
Withholding tax	479	123	11	8
Income tax expense/(credit) recognised in profit or loss	3,044	1,241	(347)	(546)

Reconciliation between tax expense/(credit) and accounting profit

A reconciliation between tax expense/(credit) and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 30 June 2016 and 2015 is as follows:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	US$'000	US$'000	US$'000	US$'000
Profit before tax	14,668	40,548	12,872	38,167
Share of results of an associate	(238)	(3,092)	–	–
	14,430	37,456	12,872	38,167
Tax at domestic rates applicable to individual group entities	5,047	11,927	2,188	6,488
Adjustments:				
Non-deductible items	1,931	1,843	903	364
Income not subject to tax	(5,032)	(11,752)	(3,121)	(7,097)
Utilisation of deferred tax benefits previously not recognised	(89)	(95)	(434)	(450)
Effect of partial tax exemption and tax relief	(149)	(136)	–	–
(Over)/under provision in respect of previous years	(66)	(1,617)	37	(128)
Withholding tax on foreign income	479	123	11	8
Deferred tax assets not recognised	890	895	75	269
Others	33	53	(6)	–
Income tax expense/(credit) recognised in profit or loss	3,044	1,241	(347)	(546)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

8. Income tax expense/(credit) (cont'd)

A loss-transfer system of group relief (group relief system) for companies was introduced in Singapore with effect from year of assessment 2003. Under the group relief system, a company belonging to a group may transfer its current year unabsorbed capital allowances, current year unabsorbed trade losses and current year unabsorbed donations (loss items) to another company belonging to the same group, to be deducted against the assessable income of the latter company.

Subject to agreement by the relevant tax authorities, the Group and the Company have unutilised tax losses and donations estimated as follows:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	US$'000	US$'000	US$'000	US$'000
Unutilised tax losses	11,519	12,199	1,915	5,262
Unutilised donations	166	380	166	380
	11,685	12,579	2,081	5,642
Deferred tax asset not recognised	2,517	2,443	354	959

These future income tax benefits are available for offset against future assessable income of the companies in which the tax benefits arose, subject to the conditions for deductibility imposed by the tax legislation of their respective countries of incorporation, including the retention of majority shareholders as defined are complied with. Deferred tax asset is not recognised due to uncertainty of its realisation.

9. Earnings per share

The basic and diluted earnings per share are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares.

The following table reflects the profit and share data used in the computation of basic and diluted earnings per share for the years ended 30 June:

	Group	
	2016	**2015**
Earnings (US$'000):		
Profit attributable to equity holders of the Company	10,286	36,659
Number of shares ('000):		
Weighted average number of ordinary shares	930,541	933,532
Earnings per share (US cents)	1.11	3.93

Basic earnings per share is the same as diluted earnings per share as the Group does not have any potential dilutive ordinary shares outstanding.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

10. Dividends

	Group and Company 2016	2015
	US$'000	US$'000
Declared and paid during the financial year:		
Dividends on ordinary shares:		
First and final tax exempt (one-tier) and special dividends for 2015 of S$0.01 and S$0.02 (2014: S$0.01 and S$Nil) per share, respectively	19,581	7,191
Proposed but not recognised as a liability as at 30 June:		
Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:		
First and final tax exempt (one-tier) dividend for 2016 of S$0.01 (2015: first and final tax exempt (one-tier) and special dividends of S$0.01 and S$0.02 respectively) per share	6,892	20,828

Upon approval by shareholders at the forthcoming Annual General Meeting, it will then be accounted for as an appropriation of accumulated profits.

11. Plant and equipment

Group	Leasehold improvements	Furniture, fittings, plant and equipment	Motor vehicles	Total
	US$'000	US$'000	US$'000	US$'000
Cost				
At 1 July 2014	1,547	28,838	1,128	31,513
Additions	531	1,735	24	2,290
Disposals	(178)	(201)	(123)	(502)
Exchange differences	(456)	(48)	(14)	(518)
At 30 June 2015 and 1 July 2015	1,444	30,324	1,015	32,783
Additions	3,757	3,695	338	7,790
Disposals	(1,001)	(2,984)	(317)	(4,302)
Transfer	792	(792)	–	–
Exchange differences	336	(416)	(1)	(81)
At 30 June 2016	5,328	29,827	1,035	36,190
Accumulated depreciation				
At 1 July 2014	1,523	26,069	481	28,073
Depreciation for the year	(3)	1,286	141	1,424
Disposals	(178)	(201)	(123)	(502)
Exchange differences	(459)	(46)	(10)	(515)
At 30 June 2015 and 1 July 2015	883	27,108	489	28,480
Depreciation for the year	344	1,598	163	2,105
Disposals	(972)	(2,934)	(199)	(4,105)
Exchange differences	335	(362)	(6)	(33)
At 30 June 2016	590	25,410	447	26,447
Net carrying amount				
At 30 June 2015	561	3,216	526	4,303
At 30 June 2016	4,738	4,417	588	9,743

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for the financial year ended 30 June 2016

11. Plant and equipment (cont'd)

Company	Leasehold improvements	Furniture, fittings, plant and equipment	Total
	US$'000	US$'000	US$'000
Cost			
At 1 July 2014	64	113	177
Additions	–	16	16
Disposals	–	(6)	(6)
At 30 June 2015 and 1 July 2015	64	123	187
Additions	261	276	537
Disposals	(64)	(71)	(135)
At 30 June 2016	261	328	589
Accumulated depreciation			
At 1 July 2014	64	105	169
Depreciation for the year	–	8	8
Disposals	–	(6)	(6)
At 30 June 2015 and 1 July 2015	64	107	171
Depreciation for the year	24	29	53
Disposals	(64)	(69)	(133)
At 30 June 2016	24	67	91
Net carrying amount			
At 30 June 2015	–	16	16
At 30 June 2016	237	261	498

Assets under construction

As at 30 June 2016, there were nil (2015: US$849,000) assets under construction. The assets under construction as at 30 June 2015 were completed during the financial year and transferred from plant and equipment to leasehold improvements.

Commitments

There was no capital expenditure contracted for, but not recognised in the financial statements (2015: US$2,335,000).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

12. Prepaid lease payments

	Group	
	2016	2015
	US$'000	US$'000
Cost		
At 1 July	19,977	18,022
Additions	–	19,977
Disposals	–	(17,133)
Exchange differences	41	(889)
At 30 June	20,018	19,977
Accumulated amortisation		
At 1 July	75	3,766
Amortisation for the year	632	925
Disposals	–	(4,429)
Exchange differences	7	(187)
At 30 June	714	75
Net carrying amount		
At 30 June	19,304	19,902

Details of properties relating to prepaid lease payments as at 30 June 2016 are as follows:

Description	Lease term	Date of acquisition/ disposal	Location	Area (square metres)
Leasehold land and building	60 years from 1 May 1993	Acquired in 2015 at cost of US$17,002,000	35 Pioneer Road North Singapore 628475	7,689
Leasehold land and building	30 years from 24 November 1998	Acquired in 2015 at cost of US$2,975,000	Kawasan Industry Panbil C1, Lot 2-3 Muka Kuning, Batam	16,402
Leasehold land and building	60 years from 1 July 1966	Disposed in 2015 with sales proceeds of US$18,255,000	322/386/388/390 Jalan Ahmad Ibrahim Singapore 629151 /629156/629157/629155	76,487

The property rental income from the Group's leasehold property partially leased out under operating leases, amounted to US$2,995,000 (2015: US$3,046,000). Direct operating expenses (including repairs and maintenance) arising from the rental-generating leasehold property amounted to US$2,000,000 (2015: US$2,372,000).

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for the financial year ended 30 June 2016

13. Investment properties

	Group	
	2016	2015
	US$'000	US$'000
Balance sheet		
At 1 July	24,386	–
Exchange differences	(85)	(80)
Additions	–	24,466
At 30 June	24,301	24,386
Income statement		
Rental income from investment properties:		
Minimum lease payments	710	92
Direct operating expenses (including repairs and maintenance) arising from:		
Revenue generating properties	234	171
Non-revenue generating property	–	41
	234	212

Valuation of investment properties

Investment properties are measured at fair value which has been determined based on valuation performed as at 30 June 2016. The valuation was performed by an accredited independent valuer with recent experience in location and category of the property being valued. The valuation technique adopted was the Direct Comparison Method of Valuation. This involved the analysis of recent sales evidence of similar properties in the subject and comparable developments. Adjustments were made for differences in location, age, tenure, floor area, condition, exposure, date of sale, amongst other factors, before arriving at the market value of the property.

Properties pledged as security

Mortgage of the investment properties was discharged during the current financial year following the full repayment of a bank loan (Note 26).

The investment properties held by the Group as at 30 June are as follows:

Description of properties	Existing use	Tenure	Unexpired lease term	Area (square metre)
Three office floors located in GB Building, 143 Cecil Street, Singapore	Offices	Leasehold	65 years	1,492

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

14. Subsidiaries

	Company 2016	Company 2015
	US$'000	US$'000
Shares, at cost	80,163	80,163
Allowance for impairment	(22,362)	(22,362)
Total	57,801	57,801
Movement in allowance for impairment account:		
At 1 July	22,362	22,864
Reversal during the year	–	(502)
At 30 June	22,362	22,362

In the previous financial year, a wholly-owned subsidiary, Shin Chuan Pte Ltd was struck-off.

(a) Composition of the Group

The Group has the following investments in subsidiaries.

Name	Country of incorporation	Principal activities	Proportion of ownership interests held by the Group 2016	2015
			%	%
Held by the Company:				
Beauford Marine Pte Ltd[(1)]	Singapore	Ship agent and ship chartering	100	100
Cresta Investment Pte. Ltd.[(1)]	Singapore	Dormant	100	100
ProVest Global Pte.Ltd.[(1)]	Singapore	Investment holding	100	100
ProVest Holdings Pte. Ltd.[(1)]	Singapore	Investment holding	100	100
ProVest Realty Pte. Ltd.[(1)]	Singapore	Property investment	100	100
ProVest Transworld Limited[(1)]	Singapore	Dormant	99.7	99.7
CH Biovest Pte. Limited [(1)]	Singapore	Investment holding	100	100
Ventrade (Asia) Pte. Ltd.[(1)]	Singapore	Investment holding and trading	100	100
PCI Limited [(1)]	Singapore	Investment holding and providing electronics manufacturing services	76.7	76.7
Held through subsidiaries:				
Held by ProVest Holdings Pte. Ltd.				
Valcom Holdings Inc [(9)]	British Virgin Islands	Dormant	100	100
Held by Ventrade (Asia) Pte. Ltd.				
Ventrade Australia Pty Ltd [(2)]	Australia	Property development	100	100
Held by Ventrade Australia Pty Ltd				
Ventrade Maylands Pty Ltd [(3)]	Australia	Property development	100	100

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for the financial year ended 30 June 2016

14. Subsidiaries (cont'd)

(a) Composition of the Group (cont'd)

Name	Country of incorporation	Principal activities	Proportion of ownership interests held by the Group 2016	2015
			%	%
Held through subsidiaries: (cont'd)				
Held by PCI Limited				
Printed Circuits International Incorporated [9] [10]	United States of America	Investment holding and provision of support on electronics manufacturing services	76.7	76.7
PT. Prima Circuitama Indonesia [5]	Indonesia	Dormant	70.9	70.9
PT. PCI Elektronik Internasional [5]	Indonesia	Provision of electronics manufacturing services	76.7	76.7
Pacific Gain Holding Limited [9]	British Virgin Islands	Investment holding	76.7	76.7
PCI China Private Limited [1]	Singapore	Investment holding	76.7	76.7
Quijul Pte Ltd [1]	Singapore	Rental of property	76.7	76.7
Held by Printed Circuits International Incorporated				
Printed Circuits International Private Limited [1]	Singapore	Rendering of estate management services	76.7	76.7
PCI Displays Pte. Ltd.[1]	Singapore	Provision of electronics manufacturing and information technology services	76.7	76.7
Held by Pacific Gain Holding Limited				
Polymicro Corporation (Singapore) Pte Ltd [1] [8]	Singapore	Investment holding	76.7	76.7
Polymicro Precision Technology (Thailand) Co. Ltd [6]	Thailand	Dormant	76.7	76.7
Technology Enabler Designers Phils. Inc.[4]	Philippines	Provision of research and development services	76.7	76.7
Held by PCI China Private Limited				
PCI-Gaozhi (Shanghai) Electronic Co., Ltd. [7] [11]	China	Provision of electronics manufacturing services	69	69
PCI Shanghai Electronics Co., Ltd [7]	China	Provision of electronics manufacturing services	76.7	76.7
PCI Kunshan Electronics Co., Ltd [7]	China	Provision of electronics manufacturing services	76.7	76.7
Held by Quijul Pte Ltd				
Quijul Logistics Pte. Ltd.[1]	Singapore	Value added logistics provider and general warehousing	76.7	76.7

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for the financial year ended 30 June 2016

14. Subsidiaries (cont'd)

(a) Composition of the Group (cont'd)

(1) Audited by Ernst & Young LLP, Singapore.

(2) Audited by KPMG, Perth, Australia.

(3) Audited by KPMG, Perth, Australia for the purpose of group consolidation.

(4) Audited by member firm of Ernst & Young Global in Philippines (SGV & CO).

(5) Audited by Drs Bernardi & Co. Registered Public Accountants, Jakarta, Indonesia.

(6) Audited by V.A.T. Accounting, Bangkok, Thailand.

(7) Audited by Shanghai Linfang Certified Public Accountants, Co. Ltd, Shanghai, China.

(8) The investment represents 6.1% equity interests held through PCI Limited. The remaining 70.6% equity interests are held through Pacific Gain Holding Limited, a subsidiary of PCI Limited.

(9) Not required to be audited under the law in the country of incorporation.

(10) Audited by Ernst & Young LLP, Singapore for the purpose of group consolidation.

(11) Subsequent to the reporting date, shareholders of PCI-Gaozhi (Shanghai) Electronic Co., Ltd resolved to commence member's voluntary winding up. On 23 August 2016, the application for winding up has been acknowledged by the authority in China. The winding up process is in progress.

(b) Interest in subsidiary with material non-controlling interests (NCI)

The Group has the following subsidiary that has NCI that is material to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interests held by NCI	Profit allocated to NCI during the reporting period	Accumulated NCI at the end of reporting period	Dividends paid to NCI
		%	US$'000	US$'000	US$'000
30 June 2016					
PCI Limited	Singapore	23.3	1,338	19,891	1,657
30 June 2015					
PCI Limited	Singapore	23.3	2,648	20,208	3,651

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for the financial year ended 30 June 2016

14. Subsidiaries (cont'd)

(c) Summarised financial information about subsidiary with material NCI

Summarised financial information including consolidation adjustments but before intercompany eliminations of subsidiary with material non-controlling interests are as follows:

	PCI Limited	
Summarised balance sheet	**2016**	**2015**
	US$'000	US$'000
Current		
Assets	99,685	106,522
Liabilities	(42,639)	(44,053)
Net current assets	57,046	62,469
Non-current		
Assets	28,858	24,443
Liabilities	(686)	(324)
Net non-current assets	28,172	24,119
Net assets	85,218	86,588

	PCI Limited	
Summarised statement of comprehensive income	**2016**	**2015**
	US$'000	US$'000
Revenue	180,231	189,374
Profit before tax	7,312	13,057
Income tax expense	(1,575)	(1,690)
Profit after tax	5,737	11,367
Other comprehensive income	3	(2,015)
Total comprehensive income	5,740	9,352
Other summarised information		
Net cash flows from operations	1,390	4,209
Acquisition of leasehold properties	–	19,977
Proceeds from disposal of leasehold property	–	18,255

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for the financial year ended 30 June 2016

15. Associate

The Group's investment in associate is summarised below:

	Group		Company	
	2016	2015	2016	2015
	US$'000	US$'000	US$'000	US$'000
Quoted shares, at cost	33,973	–	33,400	–
Share of post-acquisition reserves	226	–	–	–
Dividends received	(969)	–	–	–
Total	33,230	–	33,400	–
Fair value of investment based on published price quotation	27,545	–	27,545	–

Name	Country of incorporation	Principal activities	Proportion of ownership interests held by the Group 2016	2015
			%	%
Held by the Company:				
Finbar Group Limited [1] [2]	Australia	Property development and investment	19.6	–
CH Offshore Ltd [3]	Singapore	Investment holding and owning and chartering of vessels	–	–

(1) Audited by KPMG, Perth, Australia.

(2) Finbar Group Limited was reclassified from an available-for-sale investment to an associate with effect from 1 January 2016 (Note 17).

(3) On 9 February 2015, the Group and the Company disposed its interests in CH Offshore Ltd for a consideration of US$70,651,000.

The summarised financial information of the associate based on its IFRS financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheet	Finbar Group Limited as at 30 June 2016
	US$'000
Current assets	108,639
Non-current assets	141,843
Total assets	250,482
Current liabilities	42,478
Non-current liabilities	38,747
Total liabilities	81,225
Net assets	169,257

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for the financial year ended 30 June 2016

15. Associate (cont'd)

Summarised balance sheet (cont'd)	Finbar Group Limited as at 30 June 2016
	US$'000
Proportion of the Group's ownership	19.6%
Group's share of net assets	33,220
Other adjustments	10
Carrying amount of the investment	33,230

Summarised statement of comprehensive income	Finbar Group Limited[1] 2016	CH Offshore Ltd[2] 2015
	US$'000	US$'000
Revenue	51,382	21,238
Profit attributable to equity holders	1,213	12,975
Other comprehensive income	(74)	–
Total comprehensive income	1,139	12,975

(1) The results are disclosed from date of reclassification 1 January 2016 to 30 June 2016.

(2) The results are disclosed from 1 July 2014 to 8 February 2015 using pro-rated basis.

16. Joint operations

Name	Country of operations	Principal activities	Effective interests held by the Group 2016	2015
			%	%
Held through subsidiaries:				
Held by Ventrade Australia Pty Ltd				
187 Adelaide Terrace	Australia	Property development	50	50
Held by Ventrade Maylands Pty Ltd				
241 Railway Parade	Australia	Property development	50	50

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17. Investment securities

	Group		Company	
	2016	2015	2016	2015
	US$'000	US$'000	US$'000	US$'000
Current				
Held-for-trading investments:				
Quoted equity investments	29,019	8,831	13,709	3,361
Investment designated at fair value through profit or loss:				
Unquoted convertible loan	–	10,571	–	–
	29,019	19,402	13,709	3,361
Non-current				
Available-for-sale investments:				
Quoted equity investments [i]	2,509	40,502	371	39,182
Unquoted fund investments [i]	16,037	6,126	3,694	4,076
Unquoted equity investments, at cost [i]	9,426	11,539	1,365	2,435
Investment designated at fair value through profit or loss:				
Unquoted convertible loan	20,178	–	–	–
	48,150	58,167	5,430	45,693

(i) The available-for-sale investments in quoted and unquoted investments are held on a long term basis for strategic purposes in accordance with the Group's and the Company's business plans.

The quoted and unquoted available-for-sale investments include investments in certain companies where the Group has more than 20% effective equity interests. However, it has been determined that the Group does not have significant influence in these companies as defined by FRS 28 "Investments in Associates" due to no representation on the board of the investees, non-participation in the policy-making processes including dividends or other distributions, non-existence of material transactions between the Group and the investees, no interchange of managerial personnel and no provision of essential technical information to the investees during the financial year.

The investment in Finbar Group Limited has been reclassified as investment in associate from available-for-sale investment (quoted equity) with effect from 1 January 2016 (Note 15).

The Group's investment securities amounting to US$27,732,000 (2015: US$4,256,000) are pledged as security for a bank loan (Note 26) and other bank facilities.

Impairment losses

During the financial year, the Group and the Company recognised the following impairment losses:

- Impairment loss of US$104,000 (2015: US$Nil) and US$2,494,000 (2015: US$1,288,000) for the Group's quoted and unquoted available-for-sale investments respectively and impairment loss of US$104,000 (2015: US$Nil) and US$1,451,000 (2015: US$746,000) for the Company's quoted and unquoted available-for-sale investments respectively as there were "significant" or "prolonged" decline in the fair value of these investments below their costs. The Group treats "significant" generally as 30% and "prolonged" as greater than 12 months.

- Impairment loss of US$1,800,000 (2015: US$Nil) pertaining to an unquoted available-for-sale fund investment of the Group carried at fair value, reflecting the write-down in the carrying value because there is indication that its carrying amount is not recoverable by reference to the latest available financial information.

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for the financial year ended 30 June 2016

18. Other assets

	Group	
	2016	2015
	US$'000	US$'000
Club memberships, at cost	315	315
Allowance for impairment	(78)	(51)
Total	237	264

During the financial year, an impairment loss of US$27,000 (2015: US$20,000), representing the write-down of the carrying amount of club memberships to their recoverable amount were recognised in profit or loss. The recoverable amount of the club memberships were based on its fair value less cost to sell.

Total fair value of club memberships as at 30 June 2016 is US$264,562 (2015: US$303,436).

19. Deferred tax

Deferred tax as at 30 June relates to the following:

	Group			
	Balance sheet		Statement of comprehensive income	
	2016	2015	2016	2015
	US$'000	US$'000	US$'000	US$'000
Deferred tax assets:				
Provision	74	–	(71)	–
Unutilised tax losses	5	9	4	(9)
	79	9		
Deferred tax liabilities:				
Differences in development properties	(1,422)	(1,573)	(324)	(300)
Differences in depreciation	(686)	(324)	362	(11)
Unremitted foreign interest income	(207)	(83)	124	(153)
Total	(2,315)	(1,980)		
Deferred tax expense/(credit) (Note 8)			95	(473)

20. Development properties

	Group	
	2016	2015
	US$'000	US$'000
Completed properties	18,192	16,877
Properties under development	15,635	22,924
Total	33,827	39,801

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for the financial year ended 30 June 2016

20. Development properties (cont'd)

Details of the Group's development properties in progress as at 30 June 2016 are as follows:

Description of properties	Tenure of land	Stage of completion (expected time of completion)	Site area/ gross floor area (square metre)	Effective interest in properties
				%
Concerto				
A 38-storey residential development comprising 226 apartments and 1 commercial unit on Adelaide Terrace, East Perth, Western Australia	Freehold	FY2017	6,303/35,960	100
Unison				
A mixture of 3-storey and 10-storey residential development comprising 180 apartments and 2 commercial units on Railway Parade, Maylands, Western Australia	Freehold	FY2018	8,499/13,490	100

Commitments

Capital commitments in relation to development properties contracted for with an associate under joint operations at the end of the reporting period, but not recognised in the financial statements amounted to US$32,632,000 (2015: US$43,499,000).

21. Inventories

	Group 2016	Group 2015
	US$'000	US$'000
Balance sheet		
Raw material	17,006	15,234
Work-in-progress	996	1,198
Finished goods	13,067	10,761
	31,069	27,193
Income statement		
Inventories recognised as an expense in raw material and consumables	136,277	142,752
Included in profit or loss are the following charge/(credit):		
Write-back of allowance for inventory obsolescence	(864)	(759)
Inventories written down	–	930

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for the financial year ended 30 June 2016

22. Trade and other receivables

	Group		Company	
	2016	2015	2016	2015
	US$'000	US$'000	US$'000	US$'000
Trade and other receivables (current)				
Trade receivables – external parties	39,189	33,505	29	15
Trade receivables – associate	14,269	–	–	–
GST/VAT receivables	347	2,393	–	–
Deposits	898	457	86	75
Prepayments	510	585	8	5
Others	63	1,292	–	–
	55,276	38,232	123	95
Other receivables (non-current)				
Amounts due from an associate	12,871	2,114	–	–
Total trade and other receivables	68,147	40,346	123	95
Less: GST/VAT receivables	(347)	(2,393)	–	–
Less: Prepayments	(510)	(585)	(8)	(5)
Loans and receivables	67,290	37,368	115	90

Trade receivables

Trade receivables were non-interest bearing and were generally on 60 days cash terms. They were recognised at their original invoice amounts which represent their fair values at initial recognition.

Amounts due from an associate

Other non-current receivables relate to unsecured loans extended to an associate for the purpose of the Group's property development projects with the associate. The loans bear interest at 6% per annum and are not expected to be repaid within the next 12 months. The loans are to be settled in cash on completion of the related projects.

Receivables that are past due but not impaired

Trade receivables past due but not impaired is as follows:

	Group	
	2016	2015
	US$'000	US$'000
Less than 3 months	3,679	3,511
3 months or more	238	–
Total	3,917	3,511

No provision was made to the above receivables that were past due but not impaired as there has not been a significant change in credit quality and the amounts were still considered recoverable.

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for the financial year ended 30 June 2016

22. Trade and other receivables (cont'd)

Receivables subject to offsetting arrangements

The Group regularly purchases electronic raw materials from and sell electronic products to a customer. Both parties have an arrangement to settle the net amount due to or from each other.

The Group's trade receivables and trade payables that are offset are as follows:

	Gross carrying amount	Gross amount offset in the balance sheet	Net amount in the balance sheet
	US$'000	US$'000	US$'000
2016			
Trade receivables	2,499	(1,959)	540
Trade payables	(1,959)	1,959	–
2015			
Trade receivables	2,854	(2,330)	524
Trade payables	(2,330)	2,330	–

23. Amounts due from subsidiaries

	Company	
	2016	**2015**
	US$'000	US$'000
Amounts due from subsidiaries	97,229	103,345
Allowance for impairment	(5,500)	(34,930)
Total	91,729	68,415
Movement in allowance for impairment account:		
At 1 July	34,930	35,704
Reversal of impairment (Note 6)	–	(774)
Written off	(29,430)	–
At 30 June	5,500	34,930

Amounts due from subsidiaries were non-trade in nature, unsecured, interest-free, repayable on demand and are to be settled in cash. Amount written off relates to a subsidiary, Valcom Holdings Inc, in preparation for strike off.

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for the financial year ended 30 June 2016

24. Derivative financial instruments

	Group			Company		
Current	**Contract/ notional amount**	**Assets**	**Liabilities**	**Contract/ notional amount**	**Assets**	**Liabilities**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2016						
Equity and foreign exchange contracts	25,343	–	(452)	8,435	–	(189)
2015						
Equity and foreign exchange contracts	31,646	15	(336)	4,832	–	(54)

These derivative contracts may be terminated earlier than the maturity dates upon the occurrence of the knock-out event as stipulated in the contracts. The derivative contracts' maturity dates range from 8 July 2016 to 27 June 2017.

Certain derivative contracts are pledged as security for a bank loan (Note 26) and other bank facilities.

25. Cash and cash equivalents

	Group		Company	
	2016	**2015**	**2016**	**2015**
	US$'000	US$'000	US$'000	US$'000
Cash at banks	51,058	122,206	22,453	74,684
Short term deposits	24,949	34,840	–	–
Short term deposits pledged for foreign exchange forward contracts	–	1,448	–	–
Total	76,007	158,494	22,453	74,684

Investments in money market funds of US$21,223,000 (2015: US$9,151,000) and US$12,859,000 (2015: US$228,000) are recognised under cash at bank of the Group and the Company respectively as cash equivalents, due to their first-class rating and investment in extremely short-term money market securities, undergo only minor value fluctuations and can be readily converted into known amounts of cash.

Short term deposits are placed for varying periods of three months or less, depending on the immediate cash requirements of the Group and the Company. The weighted average effective interest rate as at 30 June 2016 for the Group was 0.47% (2015: 1.71%) per annum.

Cash and cash equivalents amounting to US$20,575,000 (2015: US$30,777,000) of the Group are pledged as security for a bank loan (Note 26) and other bank facilities.

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for the financial year ended 30 June 2016

26. Borrowings

	Group	
	2016	2015
	US$'000	US$'000
Secured bank loans		
Current	8,000	372
Non-current	–	11,262
Total	8,000	11,634

Short-term loans drawn by a subsidiary of US$8,000,000 related to an investment in an unquoted leveraged bond fund. The interest rates ranged from 1.595% to 1.616% per annum. The loans are secured by borrowing subsidiary's cash and cash equivalents (Note 25), investment securities (Note 17) and derivative financial instruments (Note 24).

The loan of US$11,634,000 as at 30 June 2015 was fully repaid during the financial year and the mortgage on investment properties (Note 13) of the Group and corporate guarantee provided by the Company were discharged.

27. Trade and other payables

	Group		Company	
	2016	2015	2016	2015
	US$'000	US$'000	US$'000	US$'000
Trade and other payables (current)				
Trade payables – external parties	27,741	26,272	–	–
Trade payables – associate	–	4,564	–	–
Accrued expenses	27,454	14,918	1,896	3,306
Provisions	2,891	3,677	–	–
Other payables	537	770	497	746
	58,623	50,201	2,393	4,052
Other payables (non-current)				
Other payables	258	157	28	–
Total trade and other payables	58,881	50,358	2,421	4,052
Less: Provisions	(2,891)	(3,677)	–	–
Less: Accrued expenses	(4,014)	(2,822)	(103)	(82)
Financial liabilities at amortised cost	51,976	43,859	2,318	3,970

The credit term on trade purchases are non-interest bearing and normally range from cash payment to 60 days terms. The Group has financial risk management policies in place to ensure that all payables were within the credit time frame.

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for the financial year ended 30 June 2016

27. Trade and other payables (cont'd)

The following table shows the movement of provisions for the financial years ended 30 June 2016 and 30 June 2015:

	Excess purchase order	Staff retrenchment	Total
	US$'000	US$'000	US$'000
Group			
At 1 July 2015	2,128	1,549	3,677
Addition during the year	72	23	95
Utilisation	–	(817)	(817)
Exchange differences	(6)	(58)	(64)
At 30 June 2016	2,194	697	2,891
At 1 July 2014	1,340	1,521	2,861
Addition during the year	788	337	1,125
Utilisation	–	(246)	(246)
Exchange differences	–	(63)	(63)
At 30 June 2015	2,128	1,549	3,677

28. Amounts due to subsidiaries

The amounts due to subsidiaries are non-trade in nature, unsecured, interest-free, repayable on demand and are to be settled in cash.

29. Share capital

	Group and Company			
	2016		2015	
	No. of shares	Share capital	No. of shares	Share capital
	'000	US$'000	'000	US$'000
Issued and fully paid ordinary shares:				
At 1 July	933,532	152,009	933,532	152,009
Share buyback	(3,500)	(815)	–	–
At 30 June	930,032	151,194	933,532	152,009

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

30. Reserves

(a) ***Foreign currency translation reserve***

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(b) ***Investment revaluation reserve***

Investment revaluation reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

(c) ***Capital reserve***

Capital reserve arose as a result of changes in the ownership interests of the Company's subsidiaries that do not result in a loss of control and were accounted for as equity transactions.

31. Related party transactions

The Group enters into transactions with its related parties in the normal course of business and at arm's length. Related parties include the Group's subsidiaries, associate and their subsidiaries and key management personnel and their related parties.

(a) In addition to related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	US$'000	US$'000	US$'000	US$'000
Transactions with directors and company related to a director:				
Services received	780	815	–	–
Transactions with subsidiaries:				
Rental and property management expense	–	–	141	147
Services rendered	–	–	1,299	1,004
Sale of investment securities	–	–	1,098	–
Transactions with associates:				
Rental and property management income [1]	–	154	–	–
Interest income [2]	393	23	–	–
Property development expenses [2]	25,624	45,121	–	–

[1] In relation to CH Offshore Ltd which is no longer considered an associate upon disposal of shares by the Company on 9 February 2015. The amount disclosed for 2015 is from 1 July 2014 to date of disposal.

[2] In relation to subsidiaries of Finbar Group Limited which was reclassified from an available-for-sale investment to an associate with effect from 1 January 2016.

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for the financial year ended 30 June 2016

31. Related party transactions (cont'd)

(b) The remuneration of directors and other members of key management during the financial year were as follows:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	US$'000	US$'000	US$'000	US$'000
Directors' fees	212	216	134	134
Salaries, allowances and short term benefits	3,868	5,595	1,852	2,663
Defined contribution plan	171	143	75	57
Total	4,251	5,954	2,061	2,854

The remuneration of the directors and other members of key management is determined by the remuneration committee having regards to the performance of individuals and market trends.

32. Fair value of assets and liabilities

(a) ***Fair value hierarchy***

The Group and the Company categorise fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) ***Assets and liabilities measured at fair value***

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

Group	**Quoted prices in active markets for identical instruments (Level 1)**	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	US$'000	US$'000	US$'000	US$'000
2016				
Financial assets				
Held-for-trading investments (Note 17)				
Quoted equity investments	29,019	–	–	29,019
Investment designated at fair value through profit or loss (Note 17)				
Unquoted convertible loan	–	–	20,178	20,178

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32. Fair value of assets and liabilities (cont'd)

(b) ***Assets and liabilities measured at fair value (cont'd)***

Group	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
	US$'000	US$'000	US$'000	US$'000
2016				
Financial assets (cont'd)				
Available-for-sale investments (Note 17)				
Quoted equity investments	2,509	–	–	2,509
Unquoted fund investments	–	16,037	–	16,037
	31,528	16,037	20,178	67,743
Non-financial assets				
Investment properties (Note 13)				
Commercial	–	24,301	–	24,301
Financial liabilities				
Derivative financial instruments (Note 24)				
Equity and foreign exchange contracts	–	452	–	452
2015				
Financial assets				
Held-for-trading investments (Note 17)				
Quoted equity investments	8,831	–	–	8,831
Investment designated at fair value through profit or loss (Note 17)				
Unquoted convertible loan	–	–	10,571	10,571
Available-for-sale investments (Note 17)				
Quoted equity investments	40,502	–	–	40,502
Unquoted fund investments	–	6,126	–	6,126
Derivative financial instruments (Note 24)				
Equity and foreign exchange contracts	–	15	–	15
	49,333	6,141	10,571	66,045
Non-financial assets				
Investment properties (Note 13)				
Commercial	–	24,386	–	24,386
Financial liabilities				
Derivative financial instruments (Note 24)				
Equity and foreign exchange contracts	–	336	–	336

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32. Fair value of assets and liabilities (cont'd)

(b) ***Assets and liabilities measured at fair value (cont'd)***

Company	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
	US$'000	US$'000	US$'000	US$'000
2016				
Financial assets				
Held-for-trading investments (Note 17)				
Quoted equity investments	13,709	–	–	13,709
Available-for-sale investments (Note 17)				
Quoted equity investments	371	–	–	371
Unquoted fund investments	–	3,694	–	3,694
	14,080	3,694	–	17,774
Financial liabilities				
Derivative financial instruments (Note 24)				
Equity and foreign exchange contracts	–	189	–	189
2015				
Financial assets				
Held-for-trading investments (Note 17)				
Quoted equity investments	3,361	–	–	3,361
Available-for-sale investments (Note 17)				
Quoted equity investments	39,182	–	–	39,182
Unquoted fund investments	–	4,076	–	4,076
	42,543	4,076	–	46,619
Financial liabilities				
Derivative financial instruments (Note 24)				
Equity and foreign exchange contracts	–	54	–	54

There is no transfer between Level 1, Level 2 and Level 3 of the fair value hierarchy for the financial years ended 30 June 2016 and 2015.

32. Fair value of assets and liabilities (cont'd)

(c) ***Level 2 fair value measurements***

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Commercial investment properties (Note 13)

The valuation of commercial investment properties are based on comparable market transactions that consider sales of similar properties that have been transacted in the open market.

Unquoted fund investments (Note 17)

Fair value is determined based on the net asset value published by the fund manager at the end of the reporting period.

Equity and foreign exchange contracts (Note 24)

Over-the-counter ("OTC") contracts are valued by financial institutions, of which fair value is determined based on valuation techniques using observable market parameters as inputs.

(d) ***Level 3 fair value measurements***

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value as at 30 June 2016	Valuation technique	Unobservable inputs	Range
	US$'000			
Investment designated at fair value through profit or loss:				
Unquoted convertible loan	20,178	Probability-weighted approach	Probability of conversion	50%
			Credit spread	11.7% to 24.7%

Should the probability of conversion increase/decrease by 25%, the value of the unquoted convertible loan will increase/decrease by US$3,260,000 respectively. The fair value of unquoted convertible loan is included within Level 3.

(e) ***Assets not carried at fair value but for which fair value is disclosed***

The following table shows an analysis of the Group's and the Company's asset not measured at fair value but for which fair value is disclosed:

	Quoted prices in active markets for identical assets	Carrying amount
	US$'000	US$'000
2016		
Group		
Associate	27,545	33,230
Company		
Associate	27,545	33,400

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32. Fair value of assets and liabilities (cont'd)

(f) ***Financial assets and liabilities that are not carried at fair value but whose carrying amounts approximate fair value***

Cash and cash equivalents, trade and other receivables, amounts due from/(to) subsidiaries, borrowings and trade and other payables

The carrying amount of these financial assets and liabilities are reasonable approximation of fair value, either due to their short term nature or that they are floating rate instruments that are repriced to market interest rates on or near the end of the reporting period.

The carrying amounts of loans and receivables and financial liabilities carried at amortised cost are as follows:

	Note	Group 2016	Group 2015	Company 2016	Company 2015
		US$'000	US$'000	US$'000	US$'000
Loans and receivables					
Cash and cash equivalents	25	76,007	158,494	22,453	74,684
Trade and other receivables	22	67,290	37,368	115	90
Amounts due from subsidiaries	23	–	–	91,729	68,415
Total		143,297	195,862	114,297	143,189
Financial liabilities at amortised cost					
Borrowings	26	8,000	11,634	–	–
Trade and other payables	27	51,976	43,859	2,318	3,970
Amounts due to subsidiaries	28	–	–	8,079	9,896
Total		59,976	55,493	10,397	13,866

(g) ***Financial assets that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value***

Unquoted equity investments

Certain unquoted equity investments are stated at cost less impairment as the fair value of investments cannot be reliably measured because the fair value cannot be obtained directly from quoted market price or indirectly using valuation techniques supported by observable market data. These equity investments are acquired for long term, strategic investment purposes. The Group does not intend to dispose of these investments in the foreseeable future.

33. Financial risk management objectives and policies

In the normal course of business, the Group is exposed to market risk (including price risk, currency risk and interest rate risk), liquidity risk and credit risk. Risk management policies are in place to monitor and manage exposures to financial risks. Foreign exchange contracts and various financial instruments are utilised to manage exposures to foreign exchange and equity price risks arising from operating, financing and investment activities. Speculative trading activities are not carried out.

There has been no change to the Group's exposure to these risks or the manner in which it manages the risk.

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33. Financial risk management objectives and policies (cont'd)

(a) *Market risk*

Market risk refers to the risk arising from uncertainty in the future values of the financial instruments, resulting from movements in factors such as equity prices, foreign exchange rates and interest rates.

The Group's exposure to market risk is associated with the future values of its available-for-sale investments, held-for-trading investments, derivative financial instruments and foreign exchange rates.

The Group manages these risks by closely monitoring its investment portfolio with the objective to reduce market risk exposure within acceptable parameters, to minimise potential adverse effects on the Group's financial performance.

(i) *Market price risk*

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk, which are further discussed below), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

The Group and the Company are exposed to market price risk arising from quoted equity investments classified as held-for-trading and available-for-sale, as well as derivative financial instruments. Available-for-sale equity instruments are held for strategic rather than trading purposes. To manage its exposure to market price risk, the Group diversifies its investment portfolio within acceptable parameters as endorsed by the board of directors, through prudent assessment of investments prior to investing and ongoing monitoring of their performances.

Further details of these equity investments and derivative financial instruments can be found in Notes 17 and 24 to the financial statements respectively.

The sensitivity analysis below has been determined based on the exposure to market price risk at the end of the reporting period.

In respect of available-for-sale investments, if equity prices had been 5% higher/lower with all other variables held constant, the Group's and the Company's investment revaluation reserve in equity would have increased/decreased by US$125,000 and US$19,000 (2015: US$2,026,000 and US$1,960,000), respectively.

In respect of held-for-trading investments and derivative financial instruments, if equity prices had been 5% higher/lower, the Group's and the Company's profit before tax for the financial year ended 30 June 2016 would have increased/decreased by US$1,428,000 and US$676,000 (2015: US$426,000 and US$165,000), respectively.

(ii) *Foreign currency risk*

The Group operates mainly in the Asia Pacific region and has exposure to foreign currency risk as a result of transactions denominated in a currency other than the functional currencies of the respective Group entities. These foreign currency risk exposures are mainly in United States dollar ("USD"), Singapore dollar ("SGD"), Australian dollar ("AUD"), Hong Kong dollar ("HKD"), Renminbi ("RMB"), Euro ("EUR"), Swiss franc ("CHF") and Philippine peso ("Peso"). The Group is also exposed to currency translation risk arising from its net investments in foreign operations.

The Group closely monitors the timing of inception and settlement of transactions. It mainly utilises foreign currency forward contracts to manage its exposure to foreign currency risks. The Group's policies do not allow speculation in foreign currencies.

The table below sets out the Group's and the Company's exposure to foreign currency risk as at the end of the reporting period. Included in the table are the items of the Group and the Company, at US$ equivalent carrying amount, categorised by currencies:

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

33. Financial risk management objectives and policies (cont'd)

(a) *Market risk (cont'd)*

(ii) *Foreign currency risk (cont'd)*

Group	USD	SGD	AUD	HKD	RMB	EUR	CHF	Peso	Others	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2016										
Financial assets										
Cash and cash equivalents	1,561	21,230	1,010	2,337	7	–	–	–	81	26,226
Trade and other receivables	429	178	12,871	–	–	4	–	–	–	13,482
Investment securities	–	16,938	3,682	3,845	–	1,694	1,200	5,686	1,719	34,764
Total	1,990	38,346	17,563	6,182	7	1,698	1,200	5,686	1,800	74,472
Financial liabilities										
Trade and other payables	1,918	3,312	278	5	–	282	–	–	–	5,795
Derivatives financial instruments	–	83	–	170	–	–	–	–	–	253
Total	1,918	3,395	278	175	–	282	–	–	–	6,048
2015										
Financial assets										
Cash and cash equivalents	801	69,253	14,897	5,191	5,144	–	–	–	2	95,288
Trade and other receivables	638	177	2,141	–	14	–	–	299	–	3,269
Investment securities	–	11,320	41,390	1,965	–	–	–	5,686	–	60,361
Total	1,439	80,750	58,428	7,156	5,158	–	–	5,985	2	158,918
Financial liabilities										
Trade and other payables	789	9,032	–	5	–	68	–	–	1	9,895
Derivatives financial instruments	–	286	–	39	–	–	–	–	–	325
Total	789	9,318	–	44	–	68	–	–	1	10,220

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

33. Financial risk management objectives and policies (cont'd)

(a) ***Market risk (cont'd)***

(ii) *Foreign currency risk (cont'd)*

Company	SGD	AUD	HKD	Others	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
2016					
Financial assets					
Cash and cash equivalents	8,844	305	–	2	9,151
Other receivables	86	–	–	–	86
Amounts due from subsidiaries	26,361	1,019	–	–	27,380
Investment securities	12,605	–	1,959	1,225	15,789
Total	47,896	1,324	1,959	1,227	52,406
Financial liabilities					
Other payables	2,311	–	–	–	2,311
Amounts due to subsidiaries	2,108	–	–	–	2,108
Derivative financial instruments	95	–	56	–	151
Total	4,514	–	56	–	4,570
2015					
Financial assets					
Cash and cash equivalents	46,351	5,408	1,218	2	52,979
Other receivables	75	–	–	–	75
Amounts due from subsidiaries	16,560	477	–	–	17,037
Investment securities	7,020	37,697	1,444	–	46,161
Total	70,006	43,582	2,662	2	116,252
Financial liabilities					
Other payables	3,699	–	–	–	3,699
Amounts due to subsidiaries	2,084	–	–	–	2,084
Derivative financial instruments	38	–	17	–	55
Total	5,821	–	17	–	5,838

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax and equity to a reasonably possible change in the exchange rate of the relevant foreign currencies against the functional currency of the respective Group entities with all other variables held constant. The sensitivity analysis includes all outstanding foreign currency denominated monetary items and available-for-sale equity instruments.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

33. Financial risk management objectives and policies (cont'd)

(a) ***Market risk (cont'd)***

(ii) *Foreign currency risk (cont'd)*

Sensitivity analysis for foreign currency risk (cont'd)

If the relevant foreign currency weakens by 5% against the functional currency of the respective Group entities, profit before tax and equity will decrease by:

	Group		Company	
	Profit before tax	**Equity**	**Profit before tax**	**Equity**
	US$'000	US$'000	US$'000	US$'000
2016				
United States dollar	4	–	–	–
Singapore dollar	1,503	244	1,982	187
Australian dollar	696	169	66	–
Hong Kong dollar	300	–	95	–
Euro	71	–	–	–
Swiss franc	60	–	–	–
Philippine peso	–	284	–	–
2015				
United States dollar	33	–	–	–
Singapore dollar	3,291	281	2,929	281
Australian dollar	852	2,069	294	1,885
Hong Kong dollar	356	–	132	–
Renminbi	258	–	–	–
Philippine peso	15	284	–	–

A 5% strengthening of the relevant foreign currency against the functional currency of the respective Group entities would have resulted in an equal but opposite effect on the financial statements of the respective Group entities, on the basis that all other variables remain constant.

(iii) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their cash and cash equivalents and borrowings.

Sensitivity analysis for interest rate risk

The sensitivity analysis is determined based on the exposure to interest rates for cash and cash equivalents and borrowings at the end of the reporting period and the stipulated change taking place at the beginning of the respective financial year.

If interest rates had been 1% higher/lower, being a reasonably possible change, and all other variables were held constant, the Group's and the Company's profit before tax for the financial year ended 30 June 2016 would have increased/decreased by approximately US$170,000 and US$Nil (2015: US$247,000 and US$Nil), respectively.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

33. Financial risk management objectives and policies (cont'd)

(b) ***Liquidity risk***

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group closely monitors its working capital requirements and funds available. Sufficient liquidity is ensured through efficient cash management and adequate lines of credit. Cash and cash equivalents are maintained at a healthy level appropriate to the operating environment and expected cash flows of the Group.

All financial assets and liabilities held by the Group and the Company at the end of the reporting period are receivable and repayable on demand or due within one year, except for investment securities that are held long-term for strategic purposes.

The following table shows the contractual expiry by maturity of the Group's and the Company's contingent liabilities. The maximum amount of the financial guarantee is allocated to the earliest period in which the guarantee could be called.

	Group and Company	
	2016	**2015**
	US$'000	US$'000
Within 1 year		
Financial guarantee	11,145	11,634

(c) ***Credit risk***

Credit risk is the risk of loss that may arise should a counterparty default on its contractual obligations resulting in financial loss to the Group and the Company. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables and investments securities. Cash and short term deposits are placed with reputable financial institutions.

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised on the balance sheets.

(i) *Trade and other receivables*

The Group and the Company have policies in place to ensure that active account monitoring is carried out for the extension of credit terms to customers and only transacts with reputable and creditworthy counterparties. Before accepting any new customers, the Group assesses the potential customers' credit quality. Credit limits are reviewed periodically based on evaluation of customers' financial status.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

Further details of credit risk on trade receivables are disclosed in Note 22 to the financial statements.

(ii) *Investment securities and derivative financial instruments*

The Group's credit risk arising from its investment exposures to issuers of financial instruments is minimised as the Group only transacts with reputable financial institutions that are issued investment grade credit ratings.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

34. Capital management

The primary objective of the Group's capital management is to maintain an optimal capital structure to maximise shareholders' value and to support business growth, taking into consideration underlying business risks.

The Group manages its capital through regular reviews to ensure business returns commensurate with the level of risks and adjustments to capital allocations are made in the light of changes in economic conditions. No changes were made in the Group's objectives and policies during the financial years ended 30 June 2016 and 2015.

Debt/equity ratio, which is computed as total liabilities divided by total shareholders' equity (excluding non-controlling interests) for the Group is as follows:

	Group	
	2016	**2015**
	US$'000	US$'000
Total liabilities	72,724	68,095
Equity attributable to the equity holders of the Company	280,779	304,425
Debt/equity ratio	0.26	0.22

The Group is not subject to any externally-imposed capital requirements.

35. Segment information

For management purposes, the Group is organised into business units based on their products and services and has five reportable operating segments as follows:

(a) The investment holding segment is the core business segment of the Group and relates to investments and treasury activities;

(b) The electronics manufacturing services segment is in the business of printed circuit board assembly, custom user interface design and manufacture and full turnkey electronics manufacturing;

(c) The property development segment is in the business of property development;

(d) The property rental and estate management segment is in the business of rental of premises; and

(e) The vessel management segment is in the business of ship agent.

No operating segment has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions on resource allocation and performance assessment. Segment performance is evaluated based on operating profit which in certain respects, as explained in the table below, is measured differently from operating profit in the financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

35. Segment information (cont'd)

	Investment holding	Electronics manufacturing services	Property development	Property rental and estate management	Vessel management	Elimination	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2016							
Revenue:							
External sales	5,929	176,108	52,073	4,339	59	–	238,508
Inter-segment sales	8,230	–	–	576	–	(8,806)	–
Total revenue	14,159	176,108	52,073	4,915	59	(8,806)	238,508
Results:							
Interest income	689	50	402	–	–	–	1,141
Dividend income	3,496	–	–	–	–	–	3,496
Depreciation/ amortisation expense	(54)	(2,680)	–	–	(3)	–	(2,737)
Reclassification of investment revaluation reverse to profit or loss when an investment became associate	6,372	–	–	–	–	–	6,372
Share of results of an associate	–	–	238	–	–	–	238
Segment profit/(loss)	1,685	3,839	4,763	1,483	(146)	–	11,624
Assets:							
Associate	–	–	33,230	–	–	–	33,230
Additions to plant and equipment	537	5,957	–	1,296	–	–	7,790
Segment assets	158,960	127,523	61,480	25,334	100	–	373,397
Segment liabilities	11,578	40,096	17,459	647	75	–	69,855
Unallocated corporate liabilities							2,869
							72,724

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

35. Segment information (cont'd)

	Investment holding	Electronics manufacturing services	Property development	Property rental and estate management	Vessel management	Elimination	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2015							
Revenue:							
External sales	7,679	184,614	37,839	4,636	234	–	235,002
Inter-segment sales	19,717	–	797	675	–	(21,189)	–
Total revenue	27,396	184,614	38,636	5,311	234	(21,189)	235,002
Results:							
Interest income	638	350	107	–	–	–	1,095
Dividend income	4,319	–	–	–	–	–	4,319
Depreciation/ amortisation expense	(8)	(1,489)	–	(848)	(4)	–	(2,349)
Gain on disposal of leasehold property	–	–	–	5,136	–	–	5,136
Gain on disposal of an associate	20,965	–	–	–	–	–	20,965
Share of results of an associate	3,092	–	–	–	–	–	3,092
Segment profit/(loss)	24,814	5,671	3,781	5,177	(136)	–	39,307
Assets:							
Additions to plant and equipment	15	2,275	–	–	–	–	2,290
Additions to investment properties	–	–	–	24,466	–	–	24,466
Additions to leasehold properties	–	19,977	–	–	–	–	19,977
Segment assets	192,837	126,161	42,690	30,790	253	–	392,731
Segment liabilities	4,949	40,362	7,060	12,696	145	–	65,212
Unallocated corporate liabilities							2,883
							68,095

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

35. Segment information (cont'd)

Geographical information

The Group's operations are mainly located in United States of America, Australia, Singapore, People's Republic of China, Indonesia and Philippines.

Revenue by geographical segment is based on the country in which the counterparty is located.

Segment assets and capital expenditure are analysed based on the geographical location of these assets. Capital expenditure includes the total cost incurred to acquire property, plant and equipment.

The following is an analysis of revenue and carrying amount of non-current assets (excluding financial assets and deferred tax assets) by geographical location:

	Revenue		Non-current assets	
Group	**2016**	**2015**	**2016**	**2015**
	US$'000	US$'000	US$'000	US$'000
Singapore	22,152	29,695	47,165	43,896
Australia	54,471	41,625	33,230	–
ASEAN (excluding Singapore)	4,752	7,621	4,712	3,532
Europe	37,492	41,143	–	–
People's Republic of China	18,115	22,257	1,707	1,427
United States of America	95,732	87,724	1	–
Others	5,794	4,937	–	–
Total	238,508	235,002	86,815	48,855

Information about major customers - electronics manufacturing services

In relation to the electronics manufacturing services revenue of US$176,108,000 (2015: US$184,614,000), sale of goods to three major customers contributed a total revenue of approximately US$63,732,000 (2015: US$61,529,000) during the financial year.

36. Contingent liabilities

	Group		Company	
	2016	**2015**	**2016**	**2015**
	US$'000	US$'000	US$'000	US$'000
Guarantees	11,145	11,634	11,145	11,634

The Company has provided a corporate guarantee to a bank for a property development loan taken by a subsidiary company of an associate.

As at 30 June 2015, the Company provided a corporate guarantee to a bank for a loan of US$11,634,000 (Note 26) taken by a subsidiary. The loan was fully repaid during the current financial year and the corporate guarantee was discharged accordingly.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

37. Commitments

Operating lease commitments

As lessee

The Group has entered into non-cancellable operating lease agreements for rental of factory spaces, office premises, residential premises and land. The Company has a non-cancellable operating lease agreement in relation to its office premises.

	Group		Company	
	2016	**2015**	**2016**	**2015**
	US$'000	US$'000	US$'000	US$'000
Minimum lease payments under operating lease recognised as an expense in the year	2,267	2,551	122	121

Commitments in respect of non-cancellable operating leases at the end of the reporting period are as follows:

	Group 2016 US$'000	Group 2015 US$'000	Company 2016 US$'000	Company 2015 US$'000
Not later than 1 year	1,144	3,001	137	117
Later than 1 year but not later than 5 years	1,723	3,777	137	–
Later than 5 years	5,213	5,753	–	–
Total	8,080	12,531	274	117

As lessor

The Group has entered into operating lease agreements on its investment properties. These non-cancellable leases have remaining lease terms of between two to three years.

Future minimum rental receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2016	**2015**
	US$'000	US$'000
Not later than 1 year	2,237	5,807
Later than 1 year but not later than 5 years	1,089	2,679
Total	3,326	8,486

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2016

38. Comparatives

Certain comparatives have been restated to conform with current year's presentation.

	As previously stated	Reclassification	Restated
	US$'000	US$'000	US$'000
Group			
30 June 2015			
Consolidated statement of comprehensive income			
Revenue	232,164	2,838	235,002
Other operating expense	(3,336)	(112)	(3,448)
Vessel management expense	(112)	112	–
Gain on disposal of held-for-trading investments	2,777	(2,777)	–
Employee benefits expense	(10,218)	(170)	(10,388)
Other expense	(2,465)	109	(2,356)
Consolidated cash flow statement			
Cash flows from operating activities			
Receivables	(3,470)	98	(3,372)
Interest received	1,022	114	1,136
Dividends received from held-for-trading investments	383	(17)	366
Cash flows from investing activities			
Dividends received from available-for-sale investments	3,936	(195)	3,741
Company			
30 June 2015			
Statement of comprehensive income			
Revenue	21,684	660	22,344
Gain on disposal of held-for-trading investments	343	(343)	–
Employee benefits expense	(2,995)	(417)	(3,412)
Other income	1,260	100	1,360

39. Approval of the financial statements

The financial statements of the Group for the financial year ended 30 June 2016 were approved and authorised for issue by the board of directors on 7 September 2016.

STATISTICS OF SHAREHOLDINGS

as at 9 September 2016

Share Capital

Total Number of Issued Shares	:	930,032,450
Issued and Fully Paid-up Capital	:	S$265,785,167.05
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per share
Treasury Shares	:	Nil

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	6	0.06	174	0.00
100 - 1,000	177	1.86	158,483	0.02
1,001 - 10,000	4,768	50.13	33,057,583	3.55
10,001 - 1,000,000	4,526	47.58	240,345,020	25.84
1,000,001 and above	35	0.37	656,471,190	70.59
Total	**9,512**	**100.00**	**930,032,450**	**100.00**

Twenty Largest Shareholders

	Name of Shareholder	No. of Shares	%
1	DB NOMINEES (SINGAPORE) PTE LTD	482,758,690	51.91
2	CITIBANK NOMINEES SINGAPORE PTE LTD	30,078,700	3.23
3	DBS NOMINEES PTE LTD	23,663,900	2.54
4	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	19,513,100	2.10
5	PEH KWEE CHIM	19,379,000	2.08
6	UNITED OVERSEAS BANK NOMINEES PTE LTD	17,620,400	1.89
7	OCBC NOMINEES SINGAPORE PTE LTD	7,667,900	0.82
8	MORPH INVESTMENTS LTD	4,286,300	0.46
9	LIM MENG KONG	3,824,500	0.41
10	LEONG HEIN HAK	3,250,000	0.35
11	NG THIN ONN TONY	3,000,000	0.32
12	PHILLIP SECURITIES PTE LTD	2,772,800	0.30
13	UOB KAY HIAN PTE LTD	2,523,100	0.27
14	MAYBANK KIM ENG SECURITIES PTE LTD	2,332,900	0.25
15	BOH YUN MEI	2,323,000	0.25
16	SEAH KIOK LENG	2,210,000	0.24
17	OCBC SECURITIES PRIVATE LTD	2,208,200	0.24
18	LOA SZE PIN	2,150,000	0.23
19	RAFFLES NOMINEES (PTE) LTD	2,025,800	0.22
20	TAN LAI MENG	2,008,000	0.22
	Total:	**635,596,290**	**68.33**

STATISTICS OF SHAREHOLDINGS

as at 9 September 2016

Substantial Shareholders

	Direct Interest		Deemed Interest	
Name of Shareholder	**No. of Shares**	**%**	**No. of Shares**	**%**
3P Pte Ltd	478,264,490	51.42[(a)&(b)]	–	–
Peh Kwee Chim	19,379,000	2.08	478,264,490	51.42[(c)]
Qing Shan Pte Ltd	–	–	478,264,490	51.42[(b)]
TMF (Cayman) Ltd	–	–	478,264,490	51.42[(b)]
Peh Siong Woon Terence	–	–	478,264,490	51.42[(d)]
Beamsbury Limited	–	–	478,264,490	51.42[(e)]

Notes:

(a) Held in the name of its nominee, DB Nominees (Singapore) Pte Ltd.

(b) 3P Pte Ltd is a wholly-owned subsidiary of Qing Shan Pte Ltd, which is in turn entirely held by TMF (Cayman) Ltd as trustee of a trust constituted by Mr Peh Kwee Chim ("Trust").

(c) Mr Peh Kwee Chim is a director of 3P Pte Ltd and is also the settlor of the Trust, and is therefore deemed, pursuant to Section 4 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") and Section 7 of the Companies Act, Chapter 50 of Singapore (the "CA"), to have an interest in the 478,264,490 shares of the Company held by 3P Pte Ltd.

(d) Mr Peh Siong Woon Terence is a director of 3P Pte Ltd and is also the beneficiary of the Trust, and is therefore deemed, pursuant to Section 4 of the SFA and Section 7 of the CA, to have an interest in the 478,264,490 shares of the Company held by 3P Pte Ltd.

(e) Beamsbury Limited was appointed by TMF (Cayman) Ltd as its nominee corporate director and sole director of Qing Shan Pte Ltd, to manage, control the operations of and determine the policy with respect to Qing Shan Pte Ltd.

Shareholdings held by Public

Based on information available to the Company as at 9 September 2016, approximately 46.45% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

NOTICE OF ANNUAL GENERAL MEETING AND CLOSURE OF BOOKS

CHUAN HUP HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Co. Reg. No. 197000572R)

NOTICE IS HEREBY GIVEN that the FORTY-SIXTH ANNUAL GENERAL MEETING of Chuan Hup Holdings Limited ("the Company") will be held at the Multi-Purpose Room, 2nd Floor, 35 Pioneer Road North, Singapore 628475 on Thursday, 20 October 2016 at 2.30 p.m. to transact the following business:

(A) ORDINARY BUSINESS:

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2016 and the Auditor's Report thereon. — Ordinary Resolution 1

2. To declare a first and final tax exempt one-tier dividend of 1 SG cent per ordinary share for the financial year ended 30 June 2016. — Ordinary Resolution 2

3. To re-elect Mr Peh Siong Woon Terence who is retiring by rotation under Article 86 of the Company's Constitution and who, being eligible, offers himself for re-election. — Ordinary Resolution 3

4. To re-elect Mr Lim Kwee Siah who is retiring by rotation under Article 86 of the Company's Constitution and who, being eligible, offers himself for re-election. — Ordinary Resolution 4

5. To approve the sum of SGD180,000 to be paid to Non-Executive Directors as Directors' fees for the financial year ended 30 June 2016 (FY 2015: SGD180,000). — Ordinary Resolution 5

6. To re-appoint Ernst & Young LLP as Auditor of the Company and to authorise the Directors to fix their remuneration. — Ordinary Resolution 6

(B) SPECIAL BUSINESS:

7. To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution: — Ordinary Resolution 7

   That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, authority be and is hereby given to the Directors of the Company to:

   (a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

NOTICE OF ANNUAL GENERAL MEETING AND CLOSURE OF BOOKS

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent. of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20 per cent. of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the "SGX-ST")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue or consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in General Meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

8. To transact such other business which can be transacted at the Annual General Meeting of the Company. Ordinary Resolution 8

NOTICE IS HEREBY GIVEN that, subject to the approval of shareholders to the first and final dividend being obtained at the Forty-Sixth Annual General Meeting to be held on 20 October 2016, the Transfer Books and the Register of Members of the Company will be closed on 7 November 2016 for the preparation of dividend warrants.

Duly completed transfers in respect of ordinary shares of the Company received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road, #02-00, Singapore 068898 up to 5.00 p.m. on 4 November 2016, will be registered to determine shareholders' entitlements to the proposed first and final dividend. Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 4 November 2016, will be entitled to the proposed first and final dividend.

The first and final dividend, if approved by shareholders at the Annual General Meeting, will be paid on 18 November 2016.

By Order of the Board

Valerie Tan May Wei
Company Secretary
27 September 2016

NOTICE OF ANNUAL GENERAL MEETING AND CLOSURE OF BOOKS

Explanatory Notes

1. In relation to Ordinary Resolution 4, Mr Lim Kwee Siah, will upon re-election, continue to serve as a member of the Audit and Remuneration Committees. Mr Lim is considered a non-independent director. Please refer to the section on Board of Directors in the Annual Report for further details on Mr Lim.

2. **Personal Data Privacy:**

   By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

   Kindly note that by attending the Annual General Meeting, the members of the Company, their proxy(ies) and/or representative(s) consent to the video-recording of the proceedings of the Annual General Meeting, for the Company's records.

For the convenience of shareholders, the Company will arrange for a bus to pick up shareholders attending the above meeting from SBS Bus Stop B22529 (Blk 649A) Jurong West Street 63 (outside Pioneer MRT Station, Exit B), on Thursday, 20 October 2016. The bus will leave for Chuan Hup Holdings Limited at 1.45 p.m. sharp on that day.

CHUAN HUP HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Co. Reg. No. 197000572R)

IMPORTANT:

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 of Singapore may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF monies to buy shares in the capital of Chuan Hup Holdings Limited ("Shares"), the Annual Report 2016 is forwarded to them at the request of their CPF Agent Bank and is sent solely FOR INFORMATION ONLY.
3. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. A CPF/SRS investor who wishes to attend the Annual General Meeting as proxy has to submit his request to his CPF Agent Bank so that his CPF Agent Bank may appoint him as its proxy within the specified time frame. (CPF Agent Bank: Please refer to Notes 2(b) and 4 on the reverse side of this form on the required details).

Personal Data Privacy

By submitting an instrument appointing proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 27 September 2016.

Annual General Meeting
PROXY FORM

I/We ______________________________ (Name) ____________________ (NRIC/Passport Number)

of ____ (Address)

being a member/members of Chuan Hup Holdings Limited (the" Company") hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings	
			No. of Shares	%

or failing the person, or either or both of the persons, referred to above, the Chairman of the Forty-Sixth Annual General Meeting of the Company ("Annual General Meeting") as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting to be held at the Multi-Purpose Room, 2nd Floor, 35 Pioneer Road North, Singapore 628475 on Thursday, 20 October 2016 at 2.30 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the meeting and at any adjournment thereof.

ORDINARY BUSINESS

No.	Ordinary Resolutions	No. of Votes For*	No. of Votes Against*
1.	Adoption of Directors' Statement and Audited Financial Statements and Auditor's Report		
2.	Declaration of First and Final Dividend		
3.	Re-election of Mr Peh Siong Woon Terence as Director		
4.	Re-election of Mr Lim Kwee Siah as Director		
5.	Approval of Directors' Fees		
6.	Re-appointment of Ernst & Young LLP as Auditor		

SPECIAL BUSINESS

No.	Ordinary Resolution	No. of Votes For*	No. of Votes Against*
7.	Issue of additional shares and convertible instruments		

* If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick [✓] within the relevant box provided. Alternatively, if you wish to exercise your votes for both "For" and "Against" the relevant resolution, please indicate the number of Shares in the boxes provided.

Dated this __________ day of ____________________ 2016

Total Number of Shares held:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature(s) or Common Seal of Member(s)

IMPORTANT: Please read notes on the reverse side

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Please Affix Postage Stamp

The Company Secretary

CHUAN HUP HOLDINGS LIMITED

35 Pioneer Road North

Singapore 628475

1st fold here

Notes:

1. Please insert the total number of Shares held by you. If you only have Shares entered against your name in the Depository Register (as defined in Part IIIAA of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you only have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register as well as Shares registered in your name in the Register of Members, you should insert the number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the proxy form shall be deemed to relate to all the Shares held by you (in both the Register of Members and the Depository Register).

2. (a) A member of the Company entitled to attend and vote at a meeting of the Company, and who is not a Relevant Intermediary, is entitled to appoint one or two proxies to attend and vote instead of him. A proxy need not be a member of the Company. Where a member of the Company appoints two proxies, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form. If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent. of the shareholding and the second named proxy shall be deemed to be an alternate to the first named proxy.

   (b) A member of the Company who is a Relevant Intermediary is entitled to appoint more than two proxies to attend and vote at a meeting of the Company, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where more than one proxy is appointed, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the proxy form. In relation to a Relevant Intermediary who wishes to appoint more than two proxies, it should annex to the proxy form the list of proxies, setting out, in respect of each proxy, the name, address, NRIC/Passport Number and proportion of shareholding (Number of Shares, class of Shares and percentage) in relation to which the proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank who intends to appoint CPF/SRS investors as its proxies shall comply with this Note.

   (c) "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

3. Completion and return of the proxy form shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy or proxies will be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the proxy form, to the meeting.

4. The proxy form must be deposited at the registered office of the Company at 35 Pioneer Road North, Singapore 628475 not less than 48 hours before the time appointed for the Annual General Meeting.

5. The proxy form appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where a proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the proxy form, failing which the proxy form may be treated as invalid.

6. A corporation which is a member of the Company may authorise, by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

7. The Company shall be entitled to reject the proxy form appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form. In addition, in the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company may reject any proxy form lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

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Chuan Hup Holdings Limited
(Co. Reg. No. 197000572R)

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Email: corpsec_legal@chuanhup.com.sg